

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

...Bowie has raised six kids and back up another soul singer, and there were no more Holiday albums or factory floors for any...

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

London, Thursday, February 5, 1998

No. 35,747

Olympic Crowd Confronts Japan With an Oddity: Credit Cards

By Kevin Sullivan and Mary Jordan
Washington Post Service

NAGANO, Japan — Cash: the Japanese don't leave home without it. Whether they're going to buy a car, pay college tuition or bribe a public official, they do it with cash. Lots of cash. Stacks of bills worth thousands of dollars.

"Cash can't go wrong," said Tashichi Kitazawa, who runs a pharmacy on the busy shopping street just outside Zenkoji Temple, the 1,400-year-old symbolic backdrop of the Nagano Games. Kitazawa and the other merchants on his street began accepting credit cards last summer, at the urging of the Olympic organizers who value Visa as an official Olympic sponsor and who worried about a million card-happy foreigners swooping in for the Games.

Kitazawa's customers can now purchase an \$80 box of Ginseng tablets or a \$10 health tonic with Visa if they want. But in the six months that the credit card machine has been sitting on the counter, it never has been used. Not a single customer has paid with a card, and that's fine by Kitazawa.

"We did install it for the Olympics, but if possible I'd like to be paid in cash," he said. Credit cards are catching on in Japan, especially among younger people and especially in big cities. Most Japanese on the streets of Tokyo probably have a major credit card in their wallet. But only about 5 percent of Japanese consumer spending is done with credit cards, compared with 21 percent in the United States, according to American Express Co.

And in relatively small cities such as Nagano, many people still regard credit cards as a bizarre substitute for real money. "I think it's so strange, I guess Westerners don't use cash," said a woman running a souvenir shop at the Nagano train station, who observed, "People who speak English tend to use credit cards."

To the amazement of Japanese shopkeepers, foreigners showing up for the Olympics are pulling out plastic credit cards to pay for souvenirs.

See PLASTIC, Page 7



A villager lighting a candle on Wednesday at the site where a ski-lift car plunged to earth after a low-flying U.S. Marine Jet sliced through its cable at Cavalese, Italy.

Ski-Lift Deaths Anger Italy

U.S. Jet Was Said to Be in Violation of Flight Rules

By John Tagliabue
New York Times Service

CAVALESE, Italy — As American and Italian officials began investigating the circumstances of the deaths of 20 people in this ski resort after a U.S. military airplane sliced the cables of a ski lift, Italian government leaders Wednesday called the accident a reckless tragedy that happened in clear violation of flight rules.

Local government officials in this Alpine region, with an economy reliant on tourism, said the tragedy Tuesday had capped years of complaints about military aircraft — mainly those of the Italian Air Force — flying threateningly low through mountain valleys and over the hamlets in the area.

By Wednesday evening the victims — 11 men and 9 women — had been identified by the authorities as eight Germans, five Belgians, three Italians, a Polish woman and her 13-year-old son, an Austrian man and a Dutch woman.

At the same time, investigators said they had retrieved at the site of the crash parts of the aircraft — a U.S. Marine Corps EA-6B Prowler that carries out electronic surveillance over Bosnia — that returned after the incident to a U.S. Air Force base at Aviano, east of here, with its four crew members unhurt. Witnesses said the plane snagged its tail on the cable car wire.

On Wednesday afternoon, Prime Minister Romano Prodi, accompanied by his cabinet ministers for defense and justice, arrived in the village where he was met by the American ambassador, Thomas Foglietta, and senior U.S. military officers. After consulting with local officials and visiting the hospital where the bodies were being identified, Mr. Prodi said the incident was a "terrible act, a flight practically scraping the ground, beyond any limit set by rules and laws."

Visibly upset, Mr. Prodi said it was "an act

See JET, Page 7

U.S. Dismisses Offer By Iraq as Inadequate

Momentum Builds for Military Strike

By Joseph Fitchett
International Herald Tribune

PARIS — Baghdad offered Wednesday to accommodate some United Nations demands on weapons inspections, but with momentum toward a military strike building in Washington, the Clinton administration sounded skeptical about the chances of a diplomatic solution.

To end the crisis and avert a U.S. bombing campaign, American officials said, Iraq will have to provide unconditional access to all suspected weapons sites for international inspection teams.

With congressional support looking much stronger than it was ahead of the U.S. attack on Iraq in 1991, the Senate was moving Wednesday toward introducing a nonbinding res-

"We have very disciplined, prudent, careful diplomacy at work, and time is running out for a diplomatic solution," he said. "But the president's responsibility is to protect U.S. interests and national security, and he will do what it takes."

Washington was unfazed by a warning Wednesday by President Boris Yeltsin of Russia that Mr. Clinton risked a world war if he attacked Iraq.

Within a few hours, the White House said that Mr. Yeltsin's comments had been "revised and amended" by Moscow, and Mr. McCurry said that Washington was confident that Russian diplomacy was aimed at getting Iraq to comply with UN inspections.

With consensus building in Washington that

See IRAQ, Page 6

Olympic officials ask U.S. to wait. Page 6.

In Baghdad, Lack of Another Essential: Food For Thought

By Barbara Crossette
New York Times Service

BAGHDAD — Every Friday on a narrow street in old Baghdad crammed with stationery stores and bookshops, a sad kind of ritual takes place. People from well-educated families bring out their private library collections, arranging volumes on the sidewalks or on the hoods of cars, hoping to sell whatever they can to get them through hard times.

For many in Baghdad, the scene is emblematic not only of the decay of this once-grand city's standard of living but also of the disintegration of its intellectual life during more than seven years of economic sanctions and two decades of President Saddam Hussein's increasingly authoritarian rule.

The books for sale, many of which were bought on trips or during student years abroad, will not soon be replaced here. Paper is in such short supply that even government publications have been reduced in size. Glossy art magazines are a thing of the past, said Mohammed Darwesh, managing editor of Gilgamesh, an English-language journal of modern Iraqi art. But Gilgamesh, though it is printed infrequently and on poor quality paper, at least still appears from time to time because it is government owned. Private publishing is impossible, said Mr. Darwesh, an Edinburgh-educated linguist who has translated James Joyce and John Updike into Arabic.

Authors have themselves disappeared, though not necessarily because of the economic sanctions imposed by the United Nations. When literature professors at Baghdad University were asked what kind of books were popular with students now, they mentioned first an Iraqi author in self-imposed exile in Saudi Arabia.

Others whose writings are admired have emigrated to Jordan, Egypt, North Africa, Europe and North America — anywhere that they find more freedom to write. In Iraq, freedom of expression is virtually nonexistent, according to reports to the UN Human Rights Commission.

But there are some bright spots here, born of improvisation. The government relaxed controls on the theater in recent years and a burst of comic drama has resulted. A lot of it is farce or even slapstick, and most shows have taken a beating from serious critics. But the plays are popular. Saad Hasani, a literary scholar, describes their message as no more than "laughter for laughter's sake."

See BAGHDAD, Page 6

U.S. Executive Is Big Loser in Britain's Lottery

By Tom Buckle
International Herald Tribune

LONDON — For a nation that loves to gamble on everything from the sex of a royal offspring to the odds of a white Christmas, Britain's National Lottery was a sure winner from the start.

The lottery quickly established itself as the world's most lucrative after its start in 1995, selling tickets at the rate of \$5 billion (\$8.20 billion) a year. It has doled out more than \$7.5 billion in prizes to date and made 510 Britons

sterling-millionaires. Even more important for a country with a modest tradition of philanthropy, the lottery has generated a windfall of some \$4.7 billion for British arts and charities.

But the lottery's largesse has made it a lightning rod for controversy, and never more so than this week. A High Court jury ruled in a libel case Monday that the key American executive behind the lottery's operating company had tried to bribe Richard Branson, owner of the Virgin music and airline group, to persuade him to drop his rival bid to operate the lottery on a nonprofit basis.

The verdict has dealt a major blow to the reputation of the executive, Guy Snowden, and his U.S. company GTech, the biggest operator of lotteries around the globe. Mr. Snowden, who was ordered to pay \$100,000 in damages and legal fees estimated at \$2 million, resigned as GTech's chief executive after the verdict, while the company's share price fell nearly 9 percent before steadying Wednesday at \$27.56 on the New York Stock Exchange.

See LOTTERY, Page 5

AGENDA

Balloon Gives Up Round-the-World Try

Three balloonists trying to make the first flight around the globe gave up their attempt Wednesday in the face of the refusal by China to allow them to pass through the country's airspace. The Breitling Orbiter 2, which set off

from Switzerland on Jan. 28, was drifting over India and making for a landing either in Burma or in Thailand. If the balloon stayed up until noon GMT Thursday, it would set an endurance record. Page 5.

Clinton Fund-Raiser Is Arrested in U.S.

Yah Lin (Charlie) Trie, the Democratic Party fund-raiser and longtime friend of President Bill Clinton, has been arrested after surrendering at a Washington airport. He had been on the run abroad for months to avoid questioning about fund-raising. Page 3.



Mr. Trie after appearing in court.

Buffett's Big Silver Hoard

Is Investor Expecting Inflation or Just Rising Demand?

By Floyd Norris
New York Times Service

NEW YORK — The company controlled by Warren Buffett, one of the best-known and most widely followed investors in America, has accumulated a large portion of the world's silver supply, helping to drive the price of the metal to the highest level in nine years.

In so doing, Berkshire Hathaway Inc., the company controlled by Mr. Buffett, has made an investment that would be most likely to succeed if inflation returned, something that most investors view as unlikely. But it also could pay off if industrial demand for the metal continues to outstrip available supply.

Berkshire Hathaway said this week that it had accumulated more than \$850 million of silver.

The total stake — 129.7 million ounces — appears to be larger than the amount accumulated by the Hunt family of Texas in 1980. Silver prices soared then, only to crash later and bankrupt the Hunts. But its dollar value is far less

See SILVER, Page 7

International Pleas for Clemency Fail to Halt Execution in Texas

By Sue Anne Pressley
Washington Post Service

HUNTSVILLE, Texas — Karla Faye Tucker, the double-murderer turned born-again Christian, has been executed by lethal injection, closing a long fight for her life as a crowd outside the Texas death house prayed for her soul.

Ms. Tucker, 38, thus became the first woman executed in Texas since the Civil War and only the second in the United States since the resumption of the death penalty in 1976. Although she and her attorneys had played down her gender in their many pleas for clemency, the fact that she was a woman helped arouse international interest in her cause and generate appeals for mercy from figures including Pope John Paul II and the religious broadcaster Pat Robertson.

Wearing a white prison uniform and white tennis shoes, Ms. Tucker lay strapped on her back on a gurney as she delivered her final statements to the gathered witnesses, who included her husband, Dana Brown, a prison ministry worker she married by proxy in 1995, and Ronald Carlson, a Houston machinist and brother of one of the victims.

"I love all of you very much," she said to the witnesses. "I am going to be face-to-face with Jesus now."

Addressing her husband, she said, "Baby, I love you."

Then a lethal dose of sodium thiopental began dripping into the veins of each

Europeans call execution a barbaric act. Page 7.

arm, along with pancuronium bromide, which is a muscle relaxant, and potassium chloride, which stops the heartbeat. Within a few minutes, she was dead.

"I never saw Karla Faye Tucker take the smile off her face," said Vicente Arenas, a Houston television reporter who was among the witnesses.

The scene was emotional outside the Department of Criminal Justice facility here called the death house in this east Texas town of 35,000 north of Houston,



Sign-waving, hymn-singing crowds gathered outside the Huntsville, Texas, criminal justice building before the execution of Karla Faye Tucker for murder.

where a record 37 men were executed last year. Several hundred people on both sides of the issue crowded against yellow police lines, some still arguing over the value of the death penalty,

others praying and singing "Amazing Grace" and other hymns. "Bye-bye, Karla Faye," read one sign. "Forget Injection, Use a Pickaxe," read another.

But many others here were sympathetic to Ms. Tucker's plight: "I'm Ashamed to Be a Texan," one sign read, and another said: "Jesus Loves Karla Faye and So Do I."

Cheers went up from the pro-execution crowd when her death was announced.

The case had divided victims' families. Mr. Carlson, brother of Deborah Thornton, one of the two people Ms. Tucker was convicted of helping to kill, participated in rallies at the state Capitol in Austin asking that she be spared. Richard Thornton, the victim's husband, argued that he was sick of the depiction of Ms. Tucker as "Miss Saint."

It had become increasingly clear on Monday that despite Ms. Tucker's efforts to show she was a changed person, notably in televised appearances on "60 Minutes," Mr. Robertson's "The 700 Club" and CNN, her quest to spare her life had failed. The state Board of Pardons and Paroles, which could have commuted her sentence to life in prison, voted, 16 to 0, with two members abstaining, to deny her request.

Ms. Tucker, who could have been

See TEXAS, Page 7



The Dollar			
	Wednesday 4 P.M.	previous close	
Yen	1.80	1.811	
Mark	1.8967	1.8487	
Pound	1.2355	1.2590	
Sfr	6.037	6.0705	
The Dow			
	Wednesday close	previous close	
	8129.71	8160.35	
S&P 500			
	Wednesday 4 P.M.	previous close	
	1008.90	1006.98	
Newstand Prices			
Britain	1.000 BD Media	55 c	
France	CE 1.000 Nigeria	2800 Naira	
Germany	14.000 DM Oman	1.250 ORI	
Italy	12.000 FM Qatar	10.000 QRI	
Japan	0.85 Rep. Ireland	IR £ 1.00	
Spain	0.850 Saudi Arabia	10 SRI	
U.S.	EE 5.50 S. Africa	R12 + VAT	
U.S.	1.250 JD U.A.E.	10.000 Dh	
U.S.	K. SH. 180 U.S. Mil. (Eur)	\$ 1.20	
U.S.	700 Fils Zimbabwe	Zim \$40.00	



Citadels of Waste / Ignoring the Health Crisis

Huge Russian Hospital System Lacks Only One Thing: Patients

By Michael Specter
New York Times Service

TOMSK, Russia — Tucked carefully into a pine forest, bathed in the sparkling Siberian air and filled with enough amenities to make a country club look spartan, the Pediatric Tuberculosis Center seems to sit on the cutting edge of Russian medicine.

In a nation whose government has concluded that half of the hospitals are too dilapidated to function, the center is in the midst of a robust development program. It has a dozen buildings, a school for patients and a staff of 134.

What the 500-bed hospital does not have, in this country where President Boris Yeltsin has called health care "our No. 1 national security crisis," are patients. Last year there were never more than 20 children here at a time. This month there are 13.

That is because the Tomsk hospital system is a citadel of waste. There are 88 hospitals in this city of 500,000. Twelve of them treat TB patients alone. There is a major clinical center with 21 departments and four surgical branches, and a university medical center duplicates almost exactly what is offered in the municipal center.

The hospitals have enormous heating costs; fleets of cars; large, poorly trained staffs; and patient services that overlap.

"If it was just one hospital burning money, then we could live with that," said Tatyana Gushina, a tuberculosis expert at the Russian Academy of Medical Sciences who has been to Tomsk to study the system. "But it is not one hospital. And it is not just tuberculosis. It is the whole story of Russian medicine."

"People talk about reform all the time in Russia. But nobody wants it. Reform is one of the dirtiest words in the country."

Health officials here, and throughout Russia, still dole out scarce money based almost solely on the number of beds in each hospital, without regard to whether they are

needed or how they are used.

As a result, the Pediatric Center will receive nearly \$1 million in regional funds this year. With that money it will subject its 13 children to a needlessly expensive, anachronistic treatment regimen that the World Health Organization has long considered worse than useless. The WHO has long argued that tuberculosis can be treated better and less expensively with drugs at home.

There may be no better way to understand the immense obstacles that reforms face in the Russian provinces, where they are needed most, than to look at how a place like Tomsk deals with its health-care problems.

Compared with other cities in Russia, it is neither backward nor unique. One of Siberia's oldest cities, filled with stately wooden houses that have withstood a century of snow, Tomsk used to live on an allowance dispensed from Moscow. All that has changed.

INDUSTRY has atrophied. The nearly free transportation system, essential in such a remote place, has virtually disappeared. Without it, half of the region has lost its access to decent medical treatment.

The federal money may be gone, but the network designed by the Soviet government — grand, cumbersome, repetitive and blind to the perverse and often baffling economics of medicine — lives on.

"This is more than a medical system," said Sergei Banin, Tomsk's No. 2 health official. "It is a social system. We are feeding the poor. We are providing thousands of jobs. We want an evolution here, not a revolution."

But there has been nothing gradual about the decline in the health of the Russian people.

Tomsk, like the rest of Russia, reels under a remarkable surge in infectious and parasitic diseases, and constant growth in cases of deadly heart disease, alcohol poisoning and cancer. Last year more people in Russia died from tuberculosis, which is entirely curable, than got the disease in the United States.

TB Incidences



Tuberculosis cases in the Tomsk region of Russia, per 100,000 people.

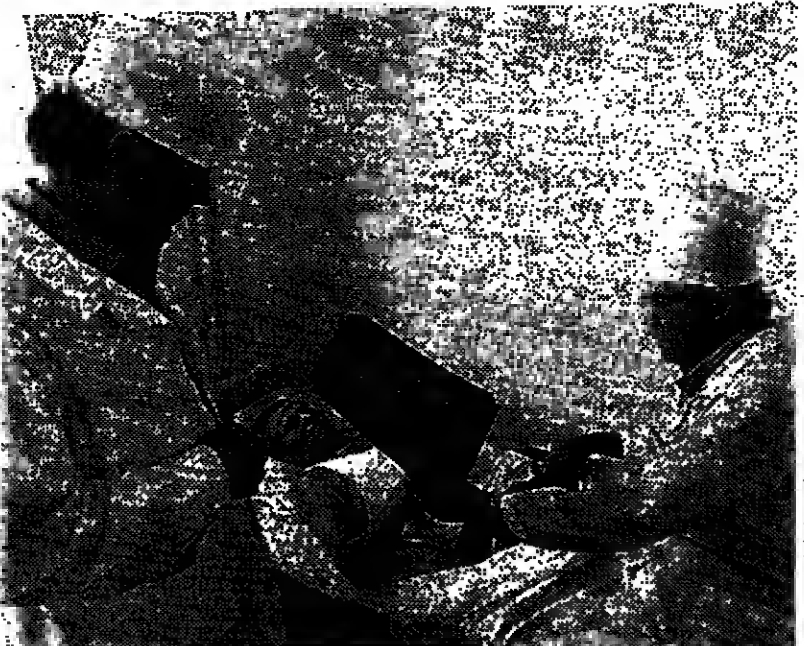
Year	Reported Cases	Rate per 100,000 People
1987	357,829	29.7
1988	34,980	56.7
1989	43,078	34.3
1990	22,560	8.7
1991	12,198	15.0
1992	6,178	10.8

*Includes Taiwan
Source: Tomsk Regional Health Dept., World Health Organization, U.S. Census

NYT

The government now predicts that the Russian population will shrink by at least 1 million people each year for at least a decade. Such a decrease has happened only a few times in history and until now always in countries engulfed by war, plague or famine.

Many people say national officials simply need to spend more on their citizens' health. Money would help, of course. Last year Russia spent only



In the city of Tomsk, there are 88 hospitals for a city of 500,000. Twelve of them treat TB patients alone.

about \$75 a person on health care; the United States spent nearly \$4,000.

But increasingly, experts cite another statistic that may be more telling: Russia has 130 hospital beds for every 10,000 people. The United States has fewer than 40 beds per 10,000 people.

IGOR LINOK, the chief administrator of the Tomsk regional health-insurance fund, said: "You could not invent a more ridiculous health-care system than the one we now have."

Dr. Linok is a physician and an economist. It is his job to try to find a rational way to spend money across the Tomsk region, which has a million people in an area about the size of England.

"Everyone always says there is not enough money," he said. "We are poor, of course. But I don't even agree that there is not enough money. Look at the waste in this place."

Three-quarters of the \$4 million spent on tuberculosis treatment and testing here is wasted, according to Meridia, the British relief agency. Health department officials do not disagree. In 1996, a total of 532 children were discharged from various TB hos-

pitals in Tomsk after average stays of a little more than three months. Only 23 had been diagnosed with TB. The rest were there because their parents had the disease, or because they were suspected of being infected.

The New York Public Health Research Institute, with money from the financier and philanthropist George Soros, has offered to help Tomsk shift its health priorities.

The Soros plan, as it is called here, is simple. "Let's spend money on what works," Dr. Alex Goldfarb, who has been the plan's chief salesman, said in a recent interview. "And let's help people make that transition to a new way of life. But if there is no switch, there should be no funds. To get the money, people here need to get rid of those hospital beds."

That kind of talk drives many leaders in Russian medicine, already sick of being told how to do their jobs by outsiders, to open revolt.

"I thought humanitarian aid came without strings attached," said Alexei Primay, who runs the largest national tuberculosis center in Moscow and is seen as the official voice of the conservative medical establishment. "Who are these people to tell us how to treat our citizens?"

Airline Agency In U.S. Gets '2000' Warning

By Matthew L. Wald
New York Times Service

WASHINGTON — At its current pace, the Federal Aviation Administration will not be able to remove all the "year 2000" bugs from its hundreds of critical computer systems before the turn of the century, which could jeopardize airline safety, increase costs and delay flights, the General Accounting Office has warned in a new report.

The accounting office faulted the aviation agency's management.

"At its current pace, it will not make it in time," the report said. It cited the agency's late start in correcting the problem and, among other blunders, appointing a manager for the project who retired and has not been replaced.

The FAA uses computers for everything from directing planes in the sky to managing and maintaining its inventory of safety and navigation equipment and scheduling inspections. Many of the computers and computer programs are old and are designed to recognize only the last two digits of the year. They may therefore recognize 2000 as "00" and assume that means 1900.

If the problem is not corrected, "the potential serious consequences include degraded safety, grounded or delayed flights, increased airline costs and customer inconvenience," the congressional auditors said.

The chairman of the House Appropriations Committee's subcommittee on transportation, Representative Frank Wolf, Republican of Virginia, said in January that the aviation agency should "take a more aggressive and systematic approach to resolving these issues in a timely manner." Noting that International Business Machines Corp. had advised the agency of this problem months earlier, Mr. Wolf asked, "Where has the FAA been on this issue for the past 15 months?"

A Federal Aviation Administration official, speaking on condition of anonymity, said the agency had completed assessing 425 of its 430 critical computer systems, including all systems in air traffic. Of 209 "mission critical" systems in air traffic, all have been assessed, and 125 are believed to lack the 2000 problem, the official said, although they had yet to be tested.

Scientists Find 1959 AIDS Case From Congo

Washington Post Service

WASHINGTON — Researchers have identified the AIDS virus in a blood sample drawn in 1959 from a man in what was then the Belgian Congo, making it the oldest known case of the infection in a human being.

The origin of the human immunodeficiency virus, or HIV, is one of the mysteries of the AIDS epidemic. There is a consensus that it arose in Central Africa, although exactly how, where and when the first case occurred are unknown.

The new study's placement of the original infection in the 1950s is somewhat earlier than many researchers had believed. The blood sample was taken in what is now Kinshasa, capital of Congo.

Molecular analysis suggests that the man probably was infected about a decade after the virus moved from nonhuman primates into humans. There is no evidence, however, that he was the first case of the disease.

The findings were reported in this week's issue of the journal Nature. By establishing more precisely when AIDS began, scientists may get a better picture of how it and other "emerging infections" behave over time.

China on Alert for Bombs

Reuters

BEIJING — Hotels, airports and train stations in Beijing and parts of western China remain on alert against possible bomb attacks by Muslim separatists, sources said Wednesday. The Ministry of Public Security issued a notice ordering greater vigilance in the capital and the western region of Xinjiang, they said.

The notice was circulated before the Lunar New Year holidays, which began Jan. 28, the sources said. The holidays ended without incident, but the sources said the alert would remain in force in the run-up to the annual session of Parliament, which starts March 5. There were also fears of violence around the first anniversary Thursday of separatist riots in Xinjiang, home to members of the Uighur ethnic minority, that officials reported had killed nine people and injured 198.

Lufthansa Bans Smoking

Reuters

FRANKFURT — Lufthansa said Wednesday that it would ban smoking on all its flights as of March 29.

The German carrier, which said the move

would bring its smoking policy in line with its other Star Alliance partners, said surveys had shown that two-thirds of all passengers prefer nonsmoking flights.

KLM, the British regional carrier owned by KLM Royal Dutch Airlines, said Wednesday that it would cut some ticket prices by July on flights from London's Stansted Airport and simplify its fare structure, responding to such co-frills carriers as EasyJet Airlines.

Hong Kong issued a cholera warning Wednesday, advising the public to pay extra attention to food hygiene, especially concerning shellfish, after two elderly men caught the disease.

Avianca has agreed with Aeroflot on a new passenger service from Moscow to South American destinations, the Colombia-based airline reported.

Britain will never switch to driving on the right, Transport Minister Gavin Stang said Wednesday.

TRAVEL UPDATE

WEEKEND SKI REPORT

Resort	Depth	Mtn. Slopes	Res. Status	Snow Last	Comments
Andorra Soldeu	50-85	Good	Open	Pd	12-18 in snow and very good skiing
Austria Ischgl	30-40	Good	At	Pd	21-21 in snow, some heavy snow
Kitzbühel	30-40	Good	At	Pd	21-21 in snow, some heavy snow
Mayrhofen	30-40	Good	At	Pd	21-21 in snow, some heavy snow
Obertauern	30-40	Good	At	Pd	21-21 in snow, some heavy snow
St. Anton	30-40	Good	At	Pd	21-21 in snow, some heavy snow
Canada Lake Louise	70-120	Good	Open	Pd	21-21 in snow, good skiing overall
La Tignes	80-120	Good	Open	Pd	21-21 in snow, good skiing overall
France Alps d'Azur	30-40	Good	Open	Pd	21-21 in snow, good skiing
Les Arcs	30-40	Good	Open	Pd	21-21 in snow, good skiing
Avoriaz	30-40	Good	Open	Pd	21-21 in snow, good skiing
Chamonix	30-40	Good	Open	Pd	21-21 in snow, good skiing
Courchevel	30-40	Good	Open	Pd	21-21 in snow, good skiing
Les Deux Alpes	30-40	Good	Open	Pd	21-21 in snow, good skiing
Plaine	30-40	Good	Open	Pd	21-21 in snow, good skiing
St. Gervais	30-40	Good	Open	Pd	21-21 in snow, good skiing
La Plagne	30-40	Good	Open	Pd	21-21 in snow, good skiing
Semnoz	30-40	Good	Open	Pd	21-21 in snow, good skiing
La Tignes	30-40	Good	Open	Pd	21-21 in snow, good skiing
Tignes	30-40	Good	Open	Pd	21-21 in snow, good skiing
Val d'Isère	30-40	Good	Open	Pd	21-21 in snow, good skiing
Val Thorens	30-40	Good	Open	Pd	21-21 in snow, good skiing
Germany Garmisch	25-35	Good	Open	Pd	21-21 in snow, good skiing
Italy Cortina	25-35	Good	Open	Pd	21-21 in snow, good skiing
Corvara	25-35	Good	Open	Pd	21-21 in snow, good skiing
Madonna di Campione	25-35	Good	Open	Pd	21-21 in snow, good skiing
Livigno	25-35	Good	Open	Pd	21-21 in snow, good skiing
Seis	25-35	Good	Open	Pd	21-21 in snow, good skiing
Switzerland Crans Montana	40-50	Good	Open	Pd	21-21 in snow, good skiing
Crans	40-50	Good	Open	Pd	21-21 in snow, good skiing
Verbier	40-50	Good	Open	Pd	21-21 in snow, good skiing
Wengen	40-50	Good	Open	Pd	21-21 in snow, good skiing
Zermatt	40-50	Good	Open	Pd	21-21 in snow, good skiing
U.S. Aspen	50-100	Good	Open	Pd	21-21 in snow, good skiing
Breckenridge	120-140	Good	Open	Pd	21-21 in snow, good skiing
Crested Butte	110-140	Good	Open	Pd	21-21 in snow, good skiing
Maroon	120-140	Good	Open	Pd	21-21 in snow, good skiing
Park City	120-140	Good	Open	Pd	21-21 in snow, good skiing
Vail	115-120	Good	Open	Pd	21-21 in snow, good skiing
Winter Park	145-170	Good	Open	Pd	21-21 in snow, good skiing

WEATHER

Europe	Today	High	Low	Forecast	Europe	Today	High	Low	Forecast
Algeria	17-22	17-22	17-22	Clear	Algeria	17-22	17-22	17-22	Clear
Amsterdam	9-12	9-12	9-12	Cloudy	Amsterdam	9-12	9-12	9-12	Cloudy
Antwerp	10-13	10-13	10-13	Cloudy	Antwerp	10-13	10-13	10-13	Cloudy
Athens	10-13	10-13	10-13	Clear	Athens	10-13	10-13	10-13	Clear
Batavia	10-13	10-13	10-13	Clear	Batavia	10-13	10-13	10-13	Clear
Bombay	10-13	10-13	10-13	Clear	Bombay	10-13	10-13	10-13	Clear
Buenos Aires	10-13	10-13	10-13	Clear	Buenos Aires	10-13	10-13	10-13	Clear
Calcutta	10-13	10-13	10-13	Clear	Calcutta	10-13	10-13	10-13	Clear
Canton	10-13	10-13	10-13	Clear	Canton	10-13	10-13	10-13	Clear
Cebu	10-13	10-13	10-13	Clear	Cebu	10-13	10-13	10-13	Clear
Colon	10-13	10-13	10-13	Clear	Colon	10-13	10-13	10-13	Clear
Hankow	10-13	10-13	10-13	Clear	Hankow	10-13	10-13	10-13	Clear
Hong Kong	10-13	10-13	10-13	Clear	Hong Kong	10-13	10-13	10-13	Clear
Kobe	10-13	10-13	10-13	Clear	Kobe	10-13	10-13	10-13	Clear
London	10-13	10-13	10-13	Cloudy	London	10-13	10-13	10-13	Cloudy
Lyons	10-13	10-13	10-13	Cloudy	Lyons	10-13	10-13	10-13	Cloudy
Madrid	10-13	10-13	10-13	Clear	Madrid	10-13	10-13	10-13	Clear
Moscow	10-13	10-13	10-13	Clear	Moscow	10-13	10-13	10-13	Clear
Munich	10-13	10-13	10-13	Cloudy	Munich	10-13	10-13	10-13	Cloudy
Nairobi	10-13	10-13	10-13	Clear	Nairobi	10-13	10-13	10-13	Clear
Paris	10-13	10-13	10-13	Cloudy	Paris	10-13	10-13	10-13	Cloudy
Rangoon	10-13	10-13	10-13	Clear	Rangoon	10-13	10-13	10-13	Clear
Reykjavik	10-13	10-13	10-13	Clear	Reykjavik	10-13	10-13	10-13	Clear
Rome	10-13	10-13	10-13	Clear	Rome	10-13	10-13	10-13	Clear
Singapore	10-13	10-13	10-13	Clear	Singapore	10-13	10-13	10-13	Clear
Stockholm	10-13	10-13	10-13	Cloudy	Stockholm	10-13	10-13	10-13	Cloudy
Taipei	10-13	10-13	10-13	Clear	Taipei	10-13	10-13	10-13	Clear
Tientsin	10-13	10-13	10-13	Clear	Tientsin	10-13	10-13	10-13	Clear
Yokohama	10-13	10-13	10-13	Clear	Yokohama	10-13	10-13	10-13	Clear

EMU Fact or Fiction?
Major Currency Moves.
These moves will directly affect the value of your Portfolio. Prepare yourself to take advantage of these moves by calling today.

SUPERIOR Selection of Managed Accounts
OUTSTANDING Global Currency Analysis
EXCEPTIONAL Execution Power or Futures
BONUS \$10,000 to \$1,000,000 (USD)
COMMISSION 2.5% (USD)

For My Complimentary Services Guide, Latest Research Reports, Opinions and Performance Records Call 1-800-762-7626

US Toll Free Line +1-800-762-7626 US Toll Free Line +1-800-762-7626

DO YOU LIVE IN DENMARK, IRELAND OR BELGIUM?

For information about subscribing call toll free:

00800 4 448 7827
(00800 4 1HT SUBS)

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

A two-month trial subscription. Save up to 60%.

Try a special, low cost 2-month trial subscription to the International Herald Tribune to enjoy delivery to your home or office every morning AND save up to 60% off the newsstand price.

COUNTRY/CURRENCY	2 MONTHS NEWSSTAND PRICE	2 MONTHS OFFER PRICE	DISCOUNT OFF COVER PRICE
AUSTRIA	1.45	0.50	65%
BELEGIUM/LUXEMBOURG	1.45	0.50	65%
DENMARK	1.45	0.50	65%
FINLAND	1.45	0.50	65%
FRANCE	1.45	0.50	65%
GERMANY	1.45	0.50	65%
GREAT BRITAIN	1.45	0.50	65%
HONG KONG	1.45	0.50	65%
ITALY	1.45	0.50	65%
JAPAN	1.45	0.50	65%
MALAYSIA	1.45	0.50	65%
NETHERLANDS	1.45	0.50	65%
NOBWAY	1.45	0.50	

EUROPE

U.S. and European Allies Split on Use of Land Mines on NATO Soil

By Joseph Fitchett
International Herald Tribune

BRUSSELS — The politically charged issue of land mines is again dividing Washington from its European allies, this time as a dispute about whether U.S. troops can keep their mines with them on the soil of North Atlantic Treaty Organization countries that recently signed a treaty banning such weapons.

"It's a problem — solvable I think — but it's going to take time, and there could be some unexpected jolts in the process," a U.S. official said Wednesday.

So far, quiet diplomacy has failed to clear up what seems to be a contradiction between NATO defense arrangements and the anti-mine treaty. Of the 16 NATO nations, only the United States and Turkey declined to sign. Washington said its responsibilities in defending South Korea along the demilitarized zone conflicted with the treaty.

Now those same military responsibilities have re-emerged for U.S. forces in Europe. "It's the law of unintended consequences in hasty arms control deals," said an official from Canada, a NATO member whose government spearheaded the treaty negotiations, including a final whirlwind of bargaining that led more than 100 countries to sign up.

Canada has said that it would override its obligations in the treaty to cooperate with the United States or any other NATO ally in the event of war, but U.S. officials argued that a combat situation is too late to deal with a ban that already affects exercises, joint training — even computer war games among allies.

Ironically, one of the governments most opposed to mines is Norway, a country that depends on U.S. mines and troops in its plans to defend the thinly populated north that borders on Russia.

Officials in Oslo, where the treaty banning mines was signed in September, say that they feel strong domestic pressure to apply its prohibitions against owning or stockpiling anti-personnel mines. As a result, there have been calls in Congress for the withdrawal of U.S. troops and prepositioned weaponry from any ally that refuses to accept the mines.

From the U.S. standpoint, the problem stems from differing definitions and technological standards about the anti-personnel mines. The international out-

cry about land mines concerns small, light, hard to spot devices that often have evil half-lives. Left behind by guerrillas or Third World armies, these mines go off when walked on by an unsuspecting farmer or a child, even years later.

Not considered in the treaty were anti-tank mines: heavy devices that require tons of pressure to detonate. But the most advanced U.S. anti-tank mines were considered, exceptionally, to be banned by the treaty because the big central device, when deployed, is surrounded by small devices to keep enemy soldiers from approaching.

The main such weapon, known as a Gator and delivered by air from F-16 fighter-bombers, consists of a canister containing 72 anti-tank mines with 22 anti-personnel mines designed to keep enemy infantry off the anti-tank mines. On the ground, they are grouped, usually in a pattern about 100 yards long, with trip wires connecting all 94 elements.

As a result, the U.S. mines are considered anti-personnel mines. European armies also have a system of protecting their anti-tank mines: they attach booby traps to the mines. Because the American explosives are not attached to the main mine, they are considered anti-personnel.

The obvious question — why not change U.S. mines? — gets a ready response from American officials. "There's a reason that they're different: because we are better at it," said Robert Bell, the leading arms specialist on the National Security Council, in discussing the U.S. position at Oslo.

A good sapper, he said, needs only two minutes with a long pole to dislodge booby traps so that enemy infantrymen can carry away a European anti-tank mine. It usually takes at least 20 minutes to clear a path to a U.S. anti-tank mine protected by a wider defensive system.

That 18 minutes is the difference between life and death," Mr. Bell said. "Imagine the Gulf War." Mr. Bell said.

"Imagine General McCaffrey's 24th Mechanized Division with a left hook into Iraq. He's out there with no protection on his flanks, maneuvering. And you see an enemy force coming in on his flank. You pick up the phone, call in an air strike. The aircraft comes over and drops this canister in front of the Republican Guard unit that's threatening his flank and puts down this field of

anti-tank mines with their protective munitions as part of it."

That concept would apply anywhere else where U.S. forces operate against the threat of enemy armor: renewed hostilities with Iraq, peacekeeping in Bosnia, any other contingency such as a Russian attack into Norway, where U.S. airborne forces would expect to use equipment, including land mines, stored in Norway.

U.S. land mines are also stored in other allied countries, including Britain, Germany and Italy. All of them have potential problems with the mines because they have signed the treaty. Turkey, with its long frontier with Russia, was the only NATO country that joined the United States in insisting that it would only sign a treaty that recognized the special features of U.S. anti-tank mines — and the associated anti-personnel mines.

In contrast to the mines that have done so much harm to civilians in countries like Bosnia and Cambodia, U.S. land mines are self-destructing and self-deactivating. Laid in zones where civilians would be careful, the mines are set to blow up at a pre-set time — usually after 48 hours. In tests involving 32,000 mines, only one failed to blow up on time, detonating an hour late. As a last resort, their batteries die after 90 days, leaving the mines harmless.

Despite these safeguards, other governments refused to allow an exception for U.S. mines when putting the finishing touches on the treaty in Oslo. They wanted a smooth product so they were reluctant to crack open a door for exceptions," according to an American official involved in final negotiations.

So far, a similar stand-off prevails in NATO. Officials at alliance headquarters outlined procedural tactics on Wednesday that they said might bury the issue long enough to defuse the quarrel. "We think that there's no real incompatibility here," said a diplomat from Canada.

Germany has put forward a compromise under which the problem would be referred to a NATO ministerial council — which would immediately send it back to committees for further study.

"In any case, Bonn can say that U.S. mines do not belong to Germany, so it's no problem for us," a German diplomat said.



Jody Williams, center right, posing with South Korean soldiers while visiting the Demilitarized Zone. The Nobel Peace Prize winner is on a four-day trip to Korea in connection with her campaign opposing land mines.

Balloonists Give Up China's Refusal to Clear Overflight Dooms Round-the-World Attempt

Compiled by the Staff from Dispatches

GENEVA — Three European balloonists, having overcome a leaky capsule, slow winds and military risks in Iraq, abandoned their around-the-world dream Wednesday because of China's refusal to let them pass.

"The trip around the world is definitely over," a spokesman for the ground team in Geneva said.

With all hope lost of picking up the rapid jet-stream winds needed to speed them over the Pacific, the Breitling Orbiter 2 was drifting over India toward a landing spot in either Burma or Thailand.

The flight director, Alan Noble, said at the mission control center here that the crew would continue across India and the Bay of Bengal to see how far they could get — and try to beat an aeronautical endurance record. They would have to stay in the air until just after noon GMT on Thursday to become the new record-holders.

"Even if China said yes now, it would be too late," said a clearly disappointed Mr. Noble. "The aim to fly around the world this time has to be given up."

It was the 14th attempt to circle the world by balloon nonstop in the past two years.

The crew sought consolation in stunning views of the Taj Mahal and the knowledge they had spent longer in the air than the previous record-holder, the American adventurer Steve Fossett. Children and adults on the ground below waved and cheered them as they flew low over the northern Indian plain.

"It's very, very sad," Mr. Noble said. "We have champagne which is staying unopened. 'We've learned a lot about how cruel the weather can be and how difficult the political situation can be.'"

He said it was too early to say whether the Swiss pilot Bertrand Piccard, the Belgian Wim Verstraeten and the British flight engineer Andy Elson would try again next year. If they did, the team would first secure overflight permission from China, he said.

Beijing objected that the slow-moving silver balloon would have been a safety risk to other aircraft during a busy holiday period. It remained unmoved by appeals from European diplomats including President Flavio Cotti of Switzerland.

Crossing China on the jet stream that flows over the country would have been vital to the crew's chances of getting around the world before its fuel ran out.

Although the mood among the three-man flight team was downcast, some of the organizers admitted that the balloon might not have achieved the record in any event, because it had used up more kerosene than expected.

The balloon, which set out from a Swiss Alpine village Jan. 28, lost one-third of its fuel on the first night, for reasons apparently unknown. (AP, Reuters, AFP)

Romanians Wary of Opening Files

By Jane Perlez
New York Times Service

BUCHAREST — When a centrist government was elected here more than a year ago, there was considerable enthusiasm for opening up the secret police files kept by the Communist government that was overthrown in 1989.

But as is the case elsewhere in the former Communist bloc, revealing the dirty secrets of the past has proved complicated.

Draft legislation designed to give access to the files is a long way from being passed as the public and politicians debate who should have access to what.

And as memories of the Communist era recede, some Romanians are beginning to suggest that it would be better to keep the files closed and to look to the future instead. The Securitate, as the secret police were known here, had numerous members and were well equipped. They are believed to have left behind plenty of evidence of citizens' spying on their fellow citizens during the more than two-decade rule of Nicolae Ceausescu.

The author of the draft legislation is Constantin Ticu Dumitrescu, a member of the Senate who was jailed for 11

years by the Communists for his role as a member of the opposition National Peasants' Party. He wants people to have wide-ranging access to the files. Mr. Dumitrescu has said that to know who is in today's society, people should be able to examine any file they want.

But others in the Peasants' Party, which forms the core of the government of Prime Minister Viktor Ciiorbea, believe that to prevent public incriminations, individuals should be allowed to look only at their own files. That is the basic premise of the system established for access to the secret police files in East Germany soon after the fall of the Berlin Wall.

For the first seven years after the end of the Ceausescu government, former Communists were in power in Romania, and many leading figures of that government had been members of the Securitate.

They blocked the opening of the files and in some cases appear to have helped tamper with the files or destroy them. A substantial cache of secret police files was found dumped in the countryside in the early 1990s.

Manuela Stefanescu, a lawyer who is co-chairman of the Helsinki Committee in Romania, a human rights group, said many of the files had been tampered with since 1989 to protect or

destroy reputations. Thus, it would be reckless, she said, to allow the wholesale opening of the files that Mr. Dumitrescu proposes. Such a move could lead to false accusations against innocent people, she said.

It is important, Miss Stefanescu said, that access be given so that individuals can examine their own dossiers — but not those of others.

The files of candidates running for office also should be made public so voters can assess their past, she said.

Even before legislation is passed, some dissidents have persisted in trying to get access to their files. So far, they have been given only glimpses.

Gabriel Andreescu, a member of the Helsinki Committee who was imprisoned under the Ceausescu government, saw his files in 1996 after years of seeking them from the military prosecutor's office.

But when they were presented to him, they appeared to have been thinned out.

In another case, a mayoral candidate in 1996 for one of Romania's provincial capitals announced that he had served as an informant for the Securitate under communism.

Voters said they regarded him as a competent manager and respected him for his honesty, and he won the election.

German Literati Fire Tardy Shot Over Holocaust Memorial

By Alan Cowell
New York Times Service

BONN — In a remarkable, last-minute challenge to what had been depicted as a national consensus, a group of 19 prominent German intellectuals, historians and authors including Gert Gelpi, urged the authorities Wednesday to abandon plans for a gigantic Holocaust memorial in the heart of Berlin.

In an open letter to Chancellor Helmut Kohl and others supporting the project, the group said an "abstract installation of oppressively gigantic proportions on an area the size of a sports stadium" would not create the "place of quiet mourning and remembrance, of warning or enlightenment" that promoters envisage.

Among other signers were the historian Jürgen Kocka, the film director George Tabori and Gyoergy Konrad, the president of the Berlin Academy of Arts.

The letter was made public only weeks before the scheduled final selection of one of four designs for the monument, two of them drawn up by Americans. The memorial is to be situated at the heart of reunited and rebuilt Berlin, between the old Brandenburg Gate and the new steel-and-glass high-rises of the Potsdamer Platz, next door to the projected site of the new U.S. Embassy.

First mooted a decade ago, the idea has proved hugely contentious, with arguments raging unresolved over its location, its artistic feasibility, its aim and its scope. But, in recent years, a consensus had built among political parties that, whatever the arguments about its precise nature, the monument should go ahead, with the foundation stone laid in early 1999.

The letter represented a significant broadside against that view, even though one signer cast doubt on whether the last-minute objections would derail the project.

"It will happen," said Peter Schneider, a well-known author. "There is no doubt about it. But we are not very happy about it."

Adding to the turmoil swirling around the project, the letter was made public only a few days after city authorities acknowledged finding a bunker used by Hitler's propaganda chief, Joseph Goebbels, abutting the 19,350-square-meter site for the memorial. The discovery rekindled debate about whether the location, almost atop Nazi ruins, was appropriate.

The letter took issue with the fact that the memorial excluded other groups persecuted by the Nazis, such as Gypsies, homosexuals, Soviet prisoners of war and the disabled. It also said that the memorial seemed an artificial gesture compared with the array of existing historical monuments in Berlin, such as the nearby "Topography of Terror" museum on the site of the former Gestapo headquarters.

The letter appealed to Mr. Kohl, the city

authorities and a private group promoting the memorial not to make a decision for its own sake.

"In this matter there should be no compulsion and no automatic decision brushing aside all the doubts and concerns," it said. "Abandoning the project on the grounds of common sense would honor all those involved."

Mr. Kohl offered no immediate response to the letter, but a spokesman for Berlin authorities said he assumed that a design for the monument would still be decided in mid-March.

The German chancellor vetoed the winning design in a contest three years ago. This time, he is thought to favor a proposal by two Americans, Richard Serra and Peter Eisenman, to cover the memorial site with 4,000 low concrete blocks spaced about two meters (six feet) apart in a huge labyrinth of varying height.

The other three finalists are Daniel Libeskind, also a U.S. citizen, Jochen Gerz of Berlin and Gesine Weinmiller, another German who is the youngest of the entrants at age 34.

Mr. Libeskind's design proposes a series of five walls with irregular cavities denoting extermination. Mr. Gerz has put forward an open space with 39 steel masts each bearing an illuminated translation of the word "why" in the native tongues of Jews killed in the Holocaust. Ms. Weinmiller's design is composed of 18 stone walls laid out seemingly arbitrarily to denote the destruction of European Jews.

But each design has raised a central question of whether artistic methods are adequate to the task of representing history's greatest genocide. Mayor Eberhard Diepgen said Wednesday that the proposals were not fully convincing.

LOTTERY: American Executive Is Big Loser in Britain's Game of Chance

Continued from Page 1

The incident also has added further luster to the reputation of Mr. Branson, dubbed "Robin Hood Richard" by the British press. And it has created a fresh embarrassment for the government of Prime Minister Tony Blair, which had opposed the previous Conservative government's decision to award the lottery contract to Camelot, a profit-making consortium including GTEch, but now finds itself defending Camelot in order to safeguard the lottery's integrity and popularity.

Chris Smith, the minister for culture, called on lottery regulators Wednesday to review the implications of the court verdict for the running of the lottery, and to ensure that all ties between Mr. Snowden and the lottery were severed.

Late Tuesday, Mr. Smith accepted the resignation of Peter Davis, the chief regulator. Mr. Davis had awarded the contract to Camelot and was criticized by a House of Com-

mons committee in 1996 for accepting free flights in the United States from GTEch.

Mr. Smith remains under pressure to take further action. Mr. Branson claimed the court verdict applied to GTEch's methods as much as Mr. Snowden personally, and he urged the government to remove the company from Camelot, in which it holds a 22.5 percent stake. And many politicians want the government to start preparing for more radical changes after 2001, when Camelot's license expires.

"I would like to see the lottery operated on a nonprofit basis," said Alan Keen, a Labor member of the House of Commons culture committee.

Camelot earned £46.8 million in the year ended March 31, 1997.

GTEch officials sought to contain the damage from the court ruling. Referring to Mr. Snowden's quick resignation, Robert Rendine, a company spokesman, said, "We moved with rather commendable speed, and we look forward to working with the new regulator."

But the ruling promised to attract fresh scrutiny to practices that have won the company contracts to operate lotteries in 28 of 37 U.S. states and in 30 foreign countries. In October, GTEch's former U.S. sales manager, J. David Smith, was convicted of paying kickbacks to political consultants in New Jersey in an effort to win the contract for the state's lottery.

For all the controversy, the huge publicity surrounding the court ruling has appeared to only help the lottery. Camelot officials said ticket sales for Wednesday night's drawing were running 3 percent ahead of normal.

That should cheer the nation's charities, civic organizations, gallery directors and theater operators. Filling the gap left by declining public spending and lackluster corporate giving, lottery proceeds are doing everything from rebuilding London's Royal Opera House to financing the reconstruction of derelict urban areas for the millennium.

BRIEFLY

Political Crisis in Slovakia

BRATISLAVA, Slovakia — The Slovak president, Michal Kovac, used his last speech to Parliament to accuse Prime Minister Vladimir Meciar's government of Wednesday of being undemocratic.

The European Union, NATO and the United States have all rebuked the former Communist Slovakia for failing to respect democracy and the rule of law, and the president said their criticism was fair.

The president, whose term ends March 2, was particularly scathing about the government's refusal to abide by rulings from the constitutional court with which it disagrees.

The parliamentary opposition — along with Mr. Kovac, who is a political enemy of Mr. Meciar — attempted in a referendum last year to change the method of electing a president to a direct vote of the people.

However, in a move that prompted sharp criticism from the EU and condemnation from the constitutional court, the government unilaterally withdrew the question on the presidency from the ballot. (Reuters)

London Lectures Last Colonies

LONDON — Britain told its remaining colonies Wednesday to take urgent steps to stamp out money laundering and ensure their financial service regulators were truly independent.

Foreign Secretary Robin Cook also said Britain was looking sympathetically at the possibility of granting full citizenship to 160,000 citizens of its scattered so-called dependent territories, all that remain of a once-mighty empire.

In an indication of possible trouble ahead, the territories voiced apprehension after Mr. Cook insisted they bring their laws into line with Britain's international human rights obligations and urged those that still imposed the death penalty to consider abolishing it. (Reuters)

Bosnia Muslims Spurn Request

SARAJEVO, Bosnia-Herzegovina — Muslim leaders in Bosnia have spurned a demand by Western aid donors that they unconditionally promote the return to Sarajevo of thousands of Croats and Serbs who fled during the three and a half year Bosnian war.

Alija Izetbegovic, a wartime Bosnian leader who is now chairman of the country's three-man presidency, said he would not accept the demand unless the United States and its allies insisted that Bosnia's Serb Republic make a similar commitment to accept Muslim and Croatian refugees within the same period.

Western officials called this condition unreasonable, arguing that the Serb Republic's new government is not yet strong enough to make such a pledge. (WP)

French Rightists Protest Ruling

PARIS — The extreme-right National Front denounced a French official's decision Wednesday to block a controversial cash bonus restricted to children born to French or European Union parents in the southern town of Vitrolles.

The decision by the prefect in the southern Bouches du Rhone department "is in reality the Socialist-Communist government showing its true face — one of scorn for the French people," the National Front deputy leader, Bruno Megret, said in a statement. The Front announced last month that Vitrolles would pay a bonus of 5,000 francs (\$825) for every child born in the town to citizens of France or another European Union state. (Reuters)

Weekend

OPTIONS®

Heart of the City

Paris from FF 1,400 per night.

Enjoy a little luxury this weekend with Heart of the City Weekend Options from Inter-Continental. With over 60 hotels at the heart of 50 of Europe's most beautiful cities we'll ensure you have the perfect escape. For information or reservations contact us from the UK on 0345 581444, from France on 0800 908555, or from Germany on 0130 853955.



INTER-CONTINENTAL

HOTELS AND RESORTS

Europe • The Middle East • Africa • Asia Pacific • The Americas

Rates per room per night. Limited availability. Valid weekends only.

INTERNATIONAL

U.S. Urged To Lay Off Iraq During Olympics

By Jere Longman
New York Times Service

NAGANO, Japan — Amid speculation that the United States might attack Iraq soon, International Olympic officials have repeated appeals for nations to avoid military confrontation during the Nagano Games, which begin on Saturday.

While stressing that they were not trying to influence U.S. foreign policy, the officials said they hoped that the United States and other countries that have signed a United Nations resolution pledging peace during the Winter and Summer Olympics would adhere to their pledges. The resolution, signed by 178 countries, is generally known as the Olympic truce.

"The IOC has no comment to make regarding the way the United States of America makes its decisions," Francois Carrard, the International Olympic Committee director-general, said. "We simply hope that, like all signatories to the Olympic truce, they will follow it."

Anita DeFranz of the United States, the first woman elected as a vice president of the IOC, said she had been working back channels to remind the White House that it has resolved to comply with the Olympic truce.

"I just wanted to make sure they know about it; they do," Ms. DeFranz said. "I'm confident that it will play some part, maybe a small part, in the decision-making process."

But Ms. DeFranz, a former Olympic rower, also acknowledged that military conflicts have occurred during past Olympic Games. The Bosnian conflict, for example, continued during the 1994 Winter Olympics in Lillehammer, Norway.

Conflict has followed the Olympic movement. The 1968 Mexico City Games were preceded by student uprisings that led to deaths. The 1972 Munich Olympics were disrupted by Arab terrorists. The United States boycotted the 1980 Moscow Olympics to protest the Soviet invasion of Afghanistan, and Soviet-bloc countries retaliated with a boycott of the 1984 Los Angeles Games.

The State Department said this week that it respected Olympic appeals for peace. But it refused to guarantee that the United States would not launch an attack during the 16-day run of the Nagano Games.



Foreign Minister Mohammed Said Sahhaf of Iraq, center, welcoming his Turkish counterpart, Ismail Cem, right, to Baghdad on Wednesday. Mr. Cem was to discuss Iraq's dispute with the UN over weapons inspectors.

BAGHDAD: Hard Time for Books, but Some Arts Still Carry On

Continued from Page 1

In the absence of foreign films, a casualty of the embargo that was imposed on Iraq until it is free of weapons of mass destruction, there has been a burst of energy in the Iraqi cinema, though films are limited thematically and produced on low budgets.

Romance and high-intensity explorations of personal relationships mark both films and contemporary short stories, intellectuals say.

Figurative painting and natural subjects, sometimes fuzzily romantic but rarely propagandistic, dominate contemporary art in the galleries and museums.

History, viewed from a safe distance, is also preoccupying filmmakers. A veritable genre is developing around the life

and death of King Ghazi, the second in a line of monarchs who ruled Iraq from 1920 to 1958.

The king, who died in a car crash in 1939 after only six years on the throne, is being portrayed as a "people's king," Iraqis say. Currently accepted thinking is that he was the victim of an assassination, not an accident, and that the British were to blame.

Britain ruled Iraq under a mandate for a few years after World War I, when the Ottoman Empire was dismantled and Iraq became independent again after four centuries. The nationalist uprising that soon erupted against British rule is another cinematic theme in the 1990s.

Anti-British themes are safe because they are not out of line with government thinking, now that Britain and the United

States are seen as common enemies of Iraq. But the fascination with King Ghazi may represent more than this. Mr. Saddam likes to think of himself in regal terms, and what better model for a modern monarch than a "people's king"? It is not a subject Iraqi intellectuals are free to discuss. An American visiting Iraq expecting to hear a great deal about the 1991 Gulf War is frequently startled by the relative lack of passion about that conflict and the intensity with which Iraqis recall the war before that one, the 1980-1988 war with Iran.

Stories, poetry and films relive the war, allowing fiction to follow reality. "There is not a family in this country that was not touched by that war, that terrible war," a writer said. "It affected all of us psychologically."

Israel Would Strike Back, Paper Says

The Associated Press

TEL AVIV — Prime Minister Benjamin Netanyahu refused to assure the United States that Israel would not retaliate to a possible Iraqi attack, a newspaper reported Wednesday.

Secretary of State Madeleine Albright's request for restraint came in a weekend meeting with the Israeli leader, the Ha'aretz daily said.

Mr. Netanyahu's senior adviser, David Bar-Ilan, said Mrs. Albright requested that Israel "keep a low profile verbally," but that he didn't believe a request was made not to retaliate in case of an attack.

In the 1991 Gulf War, Israel heeded a U.S. request not to respond to Scud missiles Iraq fired at the Jewish state.

However, in the current crisis Israeli leaders have suggested there would be a response to an Iraqi attack.

Mr. Netanyahu said Tuesday that the Iraqi threat had been exaggerated, but said: "We will do whatever necessary to protect our citizens."

IRAQ: Momentum for a Military Strike

Continued from Page 1

there was no alternative to forcing Baghdad's hand, Congress responded strongly to a warning by Defense Secretary William Cohen that the United States was prepared to wage a "significant" military campaign against Iraq.

"It would be far more than what has been experienced in the past, certainly since the Persian Gulf war," Mr. Cohen said Tuesday in testimony before the Senate Armed Services Committee. Key committee members called for decisive action if Baghdad remained defiant.

Setting the stage for the nonbinding Senate resolution authorizing U.S. use of force, the majority leader, Trent Lott, said, "If we're going to do this, let's go all the way."

The Mississippi Republican's counterpart in the House, Richard Armitage, a Republican from Texas, said Tuesday that Mr. Saddam was "a dangerous person that should not be allowed to have these kinds of weapons, and we will support any effort we can to provide the world with a greater security from that threat."

Going further publicly than administration officials had, the House speaker, Newt Gingrich, Republican of Georgia, said that any U.S. military attack must succeed in getting Mr. Saddam to accept unlimited inspections or else "we will have to replace him with a regime that will agree to end this kind of program" to build weapons of mass destruction.

In complaining about U.S. rhetoric earlier in the day, Mr. Yeltsin may have been seeking to mollify the Russian Parliament, which has been critical of U.S. determination to root out Iraqi weapons programs. In his reported remarks, Mr. Yeltsin accused Mr. Clinton of "acting too brazenly" in Iraq.

One must be more careful in this world, saturated with all sorts of weapons which are sometimes in terrorists' hands," the Russian leader reportedly said. Instead, he added, some people are saying, "let's flood the place with planes and bombs" — frankly speaking, that's not like Clinton at all.

But even after Mr. Yeltsin's remarks

were declared inoperative, Moscow, together with Paris, insisted Wednesday that a diplomatic outcome was certainly preferable and still possible.

A French official said that if Baghdad had been coaxed into making initial concessions, that might be an opening wedge toward a UN inspection.

Hubert Vedrine, the foreign minister, voiced serious doubts over the usefulness of a military strike against Iraq, warning that Mr. Saddam might be able to "exploit such an attack to rally public opinion to his side."

He told the French Senate there would be a shock wave in the Arab world if Washington used military force "at the very moment when the international community, especially the United States, has been shown to be powerless to break the deadlock in the peace process between the Israelis and the Palestinians."

His remarks were played down by U.S. diplomats, who said that Mr. Vedrine was placating pro-Iraqi and anti-American lobbies in France. In private, they said, the French government had indicated much greater readiness to back a military strike if Baghdad continued stonewalling on UN inspections.

Secretary of State Madeleine Albright arrived back in Washington on Wednesday after a weeklong trip to capitals in Europe and the Middle East on which she appeared to convince most U.S. allies that military force would probably have to be used against Baghdad. Despite low-key public statements by Arab officials, Ms. Albright was said by diplomats to have gained private promises from Saudi Arabia and other key Arab countries to support U.S. actions.

Arab leaders were publicly cautious Wednesday about the value of the reported Iraqi concessions, and Turkey, which last week said that its military bases could not be used for U.S. air strikes, sounded more supportive of Washington. Prime Minister Mesut Yilmaz said Wednesday in Ankara: "If Iraq does not heed our warning, a U.S. operation to enforce UN resolutions will have some sort of justification."

Roger Stevens, 87, Arts Champion, Dies

By Bart Barnes
Washington Post Service

WASHINGTON — Roger L. Stevens, founding chairman of the Kennedy Center for the Performing Arts who orchestrated its transformation from dream to reality, died Monday night here of complications related to pneumonia. He was 87.

He suffered two partly paralyzing strokes in 1993.

Mr. Stevens served 27 years as chairman of the Kennedy Center's board of trustees and in that capacity is said to have raised \$150 million from a reluctant and skeptical Congress, corporate benefactors and individual donors for the center's construction, operation and endowment.

He was appointed in 1961 by President John F. Kennedy as board chairman of what was then the National Cultural Center. But no national facility for the performing arts existed yet in Washington. For the next 10 years, Mr. Stevens guided and coaxed the project to fruition. In 1971, the Kennedy Center, named for the slain president at Mr. Stevens's suggestion, opened with the world premiere of Leonard Bernstein's "Mass."

Since then, thousands of the world's leading musicians, actors and dancers and its finest artistic ensembles have performed on the Kennedy Center stages, bringing to Washington a cultural explosion that helped dispel its image as a city of "dead monuments and a dull bureaucracy." The producer David Merrick called the center "the most successful cultural facility in the world."

Although best known for his work at the Kennedy Center, Mr. Stevens also played a pivotal role in persuading Congress to pass legislation establishing the National Endowment for the Arts, which represented the federal government's first attempt to become a national arts patron. He then served as the endowment's first chairman. During the administration of Lyndon B. Johnson, he also was special assistant to the president for the arts.

Before starting his career at the Kennedy Center, Mr. Stevens had made a fortune in the business world. He was a real estate broker and a resourceful investor, specializing in hotels and office buildings. In that capacity, he was widely

known as a smooth and able negotiator, with a riverboat gambler's love for risky, high-stakes deals and an extraordinary skill for working out the most complex agreements. In 1951, he put together a syndicate that purchased the Empire State Building in New York for what was then a record \$51.5 million.

He also had produced more than 250 plays and musicals, including "West Side Story," "Annie," "Cat on a Hot Tin Roof," "Tea and Sympathy," "A Man for All Seasons" and "Barefoot in the Park."

Politically, Mr. Stevens had been a finance chairman of the Democratic National Committee, and he also had raised money for the presidential campaigns of Adlai Stevenson.

Dorothy Hart Hirshon, 89, Society Figure and Activist

NEW YORK — Dorothy Hart Hirshon, a glamorous figure in New York society from the 1920s through the '40s who later became active in social, human rights and political causes, died Jan. 29 in an automobile accident while driving near her home on Long Island. She was 89.

Frequently photographed and written about during her glittering earlier marriages to John Randolph Hearst and William S. Paley, she married Walter Hirshon, a stockbroker, in 1953. After their divorce in 1961, she became increasingly involved in education and philanthropic endeavors.

Dorothy Hart was 19 when she met her first husband, the third of William Randolph Hearst's five sons, while sailing on a yacht off Santa Barbara, California. The groom dropped out of college after his freshman year and joined Hearst Corp., and the young couple became regulars in the café society of the period.

Mrs. Hearst met Mr. Paley, head of the Columbia Broadcasting System, in 1931. After some months, she filed for a divorce, and in May 1932, she married Mr. Paley.

David Patrick Columbia wrote in Quest magazine in 1993: "They were the golden couple on the town. She became his Pygmalion. His hunger to know satisfied her trenchant desire to teach. He had the instincts, but she, despite her youth, had the instincts and the knowledge. She began transforming his life.

She got him to Savile Row tailors. She encouraged him to buy art and introduced him to dealers. In a short time they began to accumulate what is now known as the William Paley Collection."

She was sketched by Matisse, photographed by Cecil Beaton and Horst, listed as one of the world's best-dressed women and featured in Vogue and Harper's Bazaar.

The Paleys separated in 1945, shortly after Mr. Paley returned from wartime service in London. They were divorced in 1947, and she received some paintings, furniture, silver and \$1.5 million.

Joseph Alioto, 81, Ex-Mayor of San Francisco and Lawyer

NEW YORK (NYT) — Joseph Alioto, 81, the two-term mayor of San Francisco during the city's most dynamic growth in the late 1960s and early 1970s and a lawyer who earned millions of dollars with the nation's largest civil antitrust practice, died Jan. 29 of prostate cancer at his home in San Francisco.

In 1968, Mr. Alioto was chosen to nominate Hubert Humphrey at the Democratic Party convention in Chicago. He was planning a 1970 race against the incumbent Ronald Reagan for governor of California when, in 1969, he was described by Look magazine as "enmeshed in a web of alliances with at least six leaders of La Cosa Nostra." He dropped his plans to run for governor and sued Look for libel. After four trials, he was awarded \$350,000.

Victor Pasmore, 87, painter, printmaker, educator and for more than 30 years a volatile but invaluable figure in the British art world, died Jan. 22 at his home on Malta. A pioneer of informal abstraction in 1934, he shifted his ground in 1936 and began to paint from nature and from the living model. In 1937, he co-founded in London the Euston Road School.

Marshall Wiley, 72, a retired career diplomat and expert on the Arab world who was ambassador to Oman from 1978 to 1981, died Saturday of acute leukemia in Washington.

Anwar Abdul Malik, 100, a founder of the governing United Malay National Organization party, died Saturday in Johor Bahru, Malaysia.

To Our Readers Help us to know you better

Dear Reader,

In an attempt to serve you better and to help the commercial activities of the IHT, we would like to ask you to help us with future editorial and advertising related surveys. All research will be conducted by independent market research companies and your name will not be linked to the data in any way. As a token of our appreciation we will donate a US dollar to charity for every reply we receive.

If you kindly agree to participate, please fill in the form below and return it either by post or fax.

Please indicate the charity you wish to benefit:

- ☐ Worldwide Fund for Nature ☐ Red Cross
☐ Cancer Research ☐ Save the Children

(PRINT IN CAPITAL LETTERS)

Title: Mr/Mrs/Miss/Dr/Prof _____
Family Name _____
Given Name(s) _____
Postal Address _____

Country _____ Postcode _____
Daytime Telephone Number _____
Email address _____

Return to:
INTERNATIONAL HERALD TRIBUNE
Market Research Department
181, Avenue Charles de Gaulle
92521 Neuilly Cedex/France
or by fax to the following number: (33) 01 41 43 92 16

You will not be contacted for any other purpose than International Herald Tribune surveys.

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

CROSSWORD

ACROSS

- 1 Pitcher
Reynolds of the
40's-50's
Yankees
6 See 8-Down
10 Elite
14 November 1
honoree
15 Rambler
16 Pop singer
Brickell
17 I.R.S.
18 Caen's river
19 Fishing device
20 Desert mecca
21 Places for some
coaches

DOWN

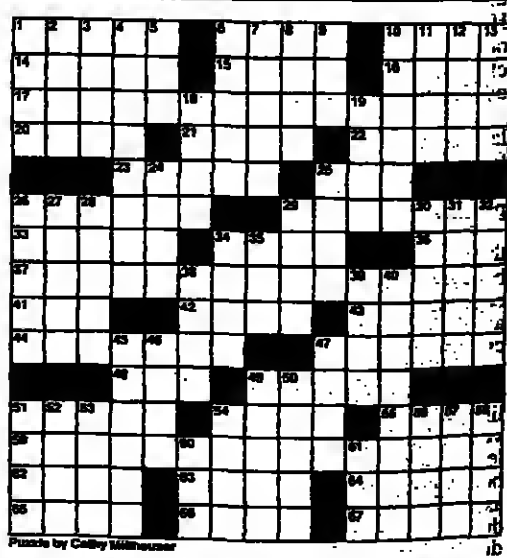
- 25 Film director's
cry
26 Like "like,"
"twice-daily"
27 Scarb family
member
28 Hiss in history
29 Good
30 Heart of a simile
31 Fireside
mind-reading?
41 Marie Curie,
d.g.: Abbr.
42 Like Cheerios
43 Lucy Ricardo's
pal
44 Carpenter's
sweepings
47 Diluted

DOWN

- 1 Regarding
2 Tony winner
Bart
3 Legal
embarrassment
4 Surfing milieu
5 Ouster
6 The "H" in
Helleric
7 Voracity
8 Bloomers with
hips
9 With 6-Across,
tea type
10 Peruvian-born
Sumac
11 Horatian output
12 "Your majesty"
13 Pianist Myra

DOWN

- 18 Orthopedist's
tool
19 What "ence"
forms
20 The Grinch was
one
21 Smoke,
perhaps
22 Emma of
"Dynasty"
23 Wool source
24 Resigner of
10/10/73
25 Canada Oxy
starts it
26 Worker at plays
27 With festiveness
28 "P.D.Q., doc!"
29 Daring
30 Shed
31 Sound of
laughter
32 Stabs
33 Possible
34 Major in
astronomy?
35 Skilled punters
36 Smack (of)
37 Stuck in the
mud
38 Party animal?
39 Words of
diary
40 Ginn
41 Big Ten sch.



© New York Times/Edited by Will Shortz

Solution to Puzzle of Feb. 4

DOWN
1 REGARDING
2 TONY WINNER
BART
3 LEGAL
EMBARRASSMENT
4 SURFING MILIEU
5 OUSTER
6 THE "H" IN
HELLERIC
7 VORACITY
8 BLOOMERS WITH
HIPS
9 WITH 6-ACROSS,
TEA TYPE
10 PERUVIAN-BORN
SUMAC
11 HORATIAN OUTPUT
12 "YOUR MAJESTY"
13 PIANIST MYRA

INTERNATIONAL

Verdict of Europeans: Execution Is Barbaric

Continued from Page 1

NEW YORK — The execution of Karla Faye Tucker in Texas created a wrenching debate in the United States, but in many European countries the verdict was nearly unanimous: The American death penalty is barbaric.

The sentiment was particularly strong in predominantly Roman Catholic countries, echoing the concerns of Pope John Paul II, who urged Governor George Bush to offer clemency to Ms. Tucker.

But in Asia, Ms. Tucker won less sympathy. "She stole a life, and they have a right in executing her," Yukio Kamei, a 27-year-old construction worker in Tokyo, said Wednesday.

While the death penalty has been banned in many European countries, it is still widely accepted in much of Asia. "China, for one, puts more people to death than the rest of the world combined: 24,367 in 1996."

But the Tucker case created shock in Europe. Joaquin Navarro-Valls, the Vatican's chief spokesman, said, "It is always the same principle: Only God is the lord of life and death."

Prime Minister Romano Prodi, who heads Italy's center-left coalition, said,

TEXAS: Woman Is Executed Despite Pleas

Continued from Page 1

eligible for parole in 2003 had the board agreed, had asked that she be given life in prison without the possibility of release. But there is no such sentence in Texas, and board members said they could not make a special case of Ms. Tucker.

After the board's ruling, Ms. Tucker's family hopes were with the U.S. Supreme Court, which turned down two appeals without comment Tuesday afternoon, and Governor George Bush, who, under the law, could grant her only one 30-day stay. But here in Texas, the capital leader in executions with one in every three that occurs, governors have seldom intervened in death-penalty cases and Mr. Bush was no exception.

"May God bless Karla Faye Tucker and may God bless her victims and their families," Mr. Bush said after declining to grant the stay.

SILVER: Buffett Reveals a Huge Hoard

Continued from Page 1

because silver now sells for less than one-seventh of what it cost at the peak. The buying, which began last July, helped to push up silver prices even as gold prices weakened. And because a large part of the silver Berkshire has bought has not been delivered, the announcement raised the possibility that some speculators will be unable to come up with the silver that Berkshire is owed.

Berkshire said it would make accommodations if such problems occurred.

The company said it began buying silver July 25, when the near-term silver futures contract closed at \$4.32 an ounce, and made its last purchase Jan. 12, when the price closed at \$5.475 an ounce.

On Tuesday, the current silver futures contract, requiring silver delivery in March, closed at \$6.615 an ounce, up 36.7 cents an ounce for the day and 53 percent higher than when Berkshire began buying the metal.

That was the highest price for the metal in nine years and came even though Mr. Buffett made his announcement after the end of trading for the day. The futures contract for March delivery was at \$7.020 an ounce in afternoon trading Wednesday in New York.

Mr. Buffett has gained fame over the decades for his willingness to make large purchases of stocks he deems to be undervalued and then hold on to them. But this appears to be his first big purchase of a commodity that — unlike stocks that pay dividends — will produce no cash income for Berkshire until it is sold.

The word that so much silver had been accumulated inevitably recalled memories of the silver accumulation by the Texas oilman Nelson Bunker Hunt. Purchases by Mr. Hunt and his family sent the price of the metal briefly above \$50 an ounce in 1980 before the market plunged, leading to financial distress for the Hunt family, which had borrowed heavily to finance the purchases.

At the peak, according to statements by Pan Voleker, then the Federal Reserve Board chairman and a man intimately involved with efforts to bail out the Hunts after the price collapsed — the Hunts controlled about 110 million ounces of silver. At the time, Mr. Voleker said, there were about 170 million ounces of silver available.

Now, the market appears to be far larger. Reuters quoted one consulting firm, CPM Group, as saying that Berkshire's stake amounted to about 20 percent of the silver market.

When the Hunts were accumulating their position, they and many investors believed that there was no way inflation could be checked and that prices of hard assets such as precious metals could only continue to rise.

Now, the opposite consensus prevails. With inflation deemed to be quiet and unlikely to stay that way and many investors fearful that Asia's troubles will lead to deflation, silver has aspects of both a precious metal, viewed by some as a storehouse of value, and an industrial one, used in a variety of industries. So while its price could rise in the absence of general inflation, a significant increase would be more likely if inflation were rising.

In a statement released by the company after markets closed Tuesday, Mr. Buffett said he first purchased silver more than 30 years ago, after the U.S. government stopped making silver coins and stopped backing dollar bills with the metal. But he said that in recent years his company had

"I am totally against the death penalty." And, in a rare sign of unity, the country's left and right spoke the same language. An editorial in the leftist newspaper L'Unita even described Ms. Tucker as "a sort of Mother Theresa for drug addicts in jail."

The impending execution was big news in Spain, too. La Vanguardia, a major daily newspaper in Barcelona, splashed an article and color photograph of Ms. Tucker on the front page. On Page 19, there was a graphic of a death chamber with the headline: "Four Minutes to Die."

And when asked about the case, the Spanish justice minister, Margarita Mariscal de Gante, told the national radio network SER on Tuesday, "Intellectually and morally, I am absolutely opposed to the death penalty."

In Dublin, the Irish Times ran a large color photograph of Ms. Tucker looking toward the heavens. Then, in a dig at the United States, the newspaper said in an editorial that the death penalty "does not sit comfortably with the annual survey of human rights provisions around the world published by the U.S. State Department."

(NYT/AP)



Mothers of some who vanished during Luis Echeverría's presidency, protesting as he testified on the 1968 massacre of students.

Mexico Congress Looks Into Massacre of 1968

Ex-President Testifies, but Sheds No Light

By Mary Beth Sheridan
and Robert Randolph
Los Angeles Times

MEXICO CITY — For the first time in modern Mexican history, a former president has testified before a congressional committee, as legislators plunged into an investigation of one of this country's most painful events: the army massacre of student protesters in 1968.

Former President Luis Echeverría, 76, was asked to clarify the mystery surrounding the military attack — an assault that started the gradual decline of Mexico's one-party state. Mr. Echeverría was interior minister at the time.

But more striking than his testimony was the fact that the investigation was taking place at all. The inquiry, opened by the country's first opposition-controlled Congress, was seen as an attempt to change a political system that long considered presidents sacrosanct and tight-lipped discipline more important than disclosure.

"This is very important for history," said Armando Lopez, a member of the congressional committee, as he shook the former president's hand before the hearing.

It was a striking reversal of roles: Mr. Lopez told reporters he had been a student demonstrator in the Mexico City plaza on the night of the massacre.

While many books and articles have been written about the massacre, the government has divulged few details about its actions.

What is known is this: On the evening of Oct. 2, 1968, shortly before the Olympic Games opened here, the Mexican Army and riot police opened fire on thousands of students who had thronged the historic Plaza of Three Cultures to demand more democracy. The government said 30 were killed; historians put the figure in the hundreds.

The committee hearing Tuesday disappointed those who were hoping for new information. Mr. Echeverría gave a rambling half-hour speech in which he spoke sympathetically about the students. When the legislators tried to close the session to the public in order to begin asking questions, Mr. Echeverría asked for a postponement.

As the hearing ended, a reporter asked the former president how many people had died in the massacre. "I don't know," replied Mr. Echeverría, who as interior minister had been in charge of public security. "It's being cleared up. Why are you so curious?"

Despite the powerful symbolism of a president being questioned, critics noted that the investigating committee has limited powers and cannot subpoena witnesses or offer immunity for testimony. Some questioned whether the truth would ever emerge.

"This will serve to keep the theme in the media, and ratify its historical importance," said Carlos Monsivais, a noted social critic. "I don't think it will serve for much more."

The massacre was a turning point in Mexican politics. For many people, it stripped the legitimacy from a one-party system founded on the ideals of the Mexican Revolution, a system that until then had provided political stability and impressive economic growth.

The government said that students had started the shooting and the army had responded. President Gustavo Díaz Ordaz blamed an international leftist conspiracy. But historians have discarded such accounts. For years, they have demanded, in vain, access to government files on the event.

Members of the congressional commission say the moment may finally have come when they can learn the truth. The commission was formed in October, after elections in which the Institutional Revolutionary Party lost control of the lower house of Congress for the first time in seven decades.

Assessing a New Iran

Scholar Sees a Possible 'Democratic Peace'

By Nora Boustany
Washington Post Service

WILLIAMSBURG, Virginia — One of the most eminent U.S. academics on Iran, Ruhi Ramazani, has criticized scholars and journalists for neglecting the "global context" of "the mother of all surprises" — the election in Iran in May of President Mohammed Khatami.

Mr. Ramazani points out that the number of democracies around the world has doubled from 1979, the year of the Iranian revolution, to 1997, when Mr. Khatami was elected.

"No amount of banning of satellite dishes, no amount of censorship and no muzzling of intellectuals could keep Iran immune from democratic movements around the world," he pointed out at a U.S. seminar this week.

The notion that the Iranian election was a protest vote by the young, by women and by the discontented of Iran is only half the truth, he stressed. Mr. Ramazani argued that the 20 million Iranians who voted for Mr. Khatami did not simply do so out of frustration.

"It was much more than that," he said. "They were asking for freedom at home and peace abroad."

Mr. Ramazani, who spoke on a panel this week at the Wendy and Emory Reeves Center for International Studies at the College of William and Mary, in Williamsburg, Virginia, has earned the nickname "ayatollah" for his 45 years at the University of Virginia and his status as effective dean of Iranian foreign policy studies in the United States.

He described the incipient phenomenon in Iran as "democratic peace" — an idea dating back to the German philosopher Immanuel Kant, that, once democratic, countries are less likely to go to war against one another. Forces favoring democracy in Iran did not come from the top down, they have bubbled up from the bottom, he added.

Mr. Ramazani elaborates on this theory in the spring issue of the Middle East Journal. He said he did not know when this process of "democratic peace"

would reach a successful conclusion. "After 2,000-plus years of autocracy, you cannot expect the democratization of a theocracy overnight," he cautioned.

When Mr. Khatami expressed regret over the taking of hostages at the U.S. Embassy in Tehran in 1978 in an interview on Jan. 7, people started wondering: "Is this a new fold in the Iranian revolution, or is it the Thermidor?" said another panelist, Farhang Rajaee, a visiting Iranian professor of political science at Carleton University in Ottawa, who taught international relations at Beheshti (National) University in Tehran from 1993 to 1996. Thermidor, the 11th month of the French revolutionary calendar, is a political science term used to describe the last evolving stages of a revolution in which there is often a reaction against revolutionary forces.

In new Iranian political terms, what does dialogue mean? "It means détente with the enemy, integration with friends," Mr. Rajaee said. For the first time now, the Iranian revolution is "no longer reacting to other events, but Khatami wants to be a positive man of action," he added.

Another panelist, Mehdi Noorbaksh, a research scholar at Harvard University, said 20-year-old students in Iran were questioning the responsibility of older leaders of the revolution. Mr. Khatami's popularity, he said, stems from his beliefs that no man of religion is above the social rule of law, from the previous government's failure to bring prosperity to the country and to provide social justice and from "his sincerity in wanting to open up the system."

The scholars concurred in predicting that Iran would not react favorably toward a U.S. strike against Iraq. Mr. Ramazani said the tightrope Iranian leaders would walk would be "clearly one of opposition to military action against Iraq" in spite of Iran's eight-year war against Iraq. It would be very difficult for Iran to maintain silence on the issue, since Mr. Khatami will be chairman of the Islamic Conference Organization for the next three years, he added.

JET: Italy Outraged by Ski-Lift Tragedy

Continued from Page 1

of tragic recklessness," and said he had received assurances from President Bill Clinton in a phone conversation on Tuesday that the incident would be fully investigated and would not be repeated.

Beniamino Andreotta, the defense minister, echoing Mr. Prodi, said the incident was "a clear case of a violation of the rules."

He added that aircraft like the Prowler, whose essential function is radar jamming, had no need for training at extreme low altitudes.

"There is no reason for a similar type of aircraft to practice low level flying," he said.

But residents of Cavalese — the site of the worst cable car accident on record, in which 42 people were killed in 1976 — and local officials said that complaints about low flying military aircraft, including planes of the Italian Air Force, were not new here, but had long gone unheeded by national governments, including Mr. Prodi's.

On a rise overlooking the meandering Avisio River, a clutch of retired locals spent Wednesday morning gazing down to where the yellow remains of the cable car and a large blood stain were still visible against a snow covered field.

"The valley is inviting; they play games," said Franco Lanzo, 72, who agreed with others who said they often watched as military aircraft skimmed along the valley much the way the American plane had done Tuesday.

Mauro Gilmozzi, Cavalese's mayor for the last eight years, agreed that local and regional officials had been collecting complaints for years from local residents about perilously low flying aircraft and passing them on to Italy's

Defense Ministry, the Italian Air Force, and the government in Rome.

Speaking after his meeting with Mr. Prodi, he said most complaints involved Italian Air Force planes, although generally flying well above the level at which the American plane flew when it sheared the cable-car wires. But he said the flights regularly cause "enormous noise and fear, because people ask themselves what would happen if the aircraft fell."

Mr. Gilmozzi said the complaints sparked "strong polemics," but he insisted that the Defense Ministry in Rome "was clearly informed" of local disgruntlement.

But he said that while Italian Air Force flights generally passed about 50 to 60 meters above the lines of the cable car, evidence gathered Wednesday indicated that the American plane might have sought to pass under the cables, flying at an altitude of 70 meters above the ground. He said local residents claimed in the past to have seen Italian military planes pass under the cables, but he said they were "only claims," lacking verification.

Under Italian law, he said, foreign aircraft must maintain an altitude of at least 600 meters above the highest obstacles on the ground.

The Italian news agency ANSA, citing unidentified Italian military officials, said the Prowler flight was in clear violation of its flight orders, which foresaw training runs at 3,500 feet (about 1,000 meters).

The officials were quoted as saying that since 1997 low level training flights have required case by case approval of the Italian authorities and that Tuesday's flight "in any case did not fall in that category."

PLASTIC: Nagano Accepts It

Continued from Page 1

costing less than \$10. To many visitors, familiar cards are easier than dealing with all those zeros on Japanese yen.

But the Japanese are famous for their hospitality, and Nagano, caught up in the Olympic spirit, is trying its best to accommodate what many locals see as another foreign quirk.

Stores all over town are sprouting little window stickers showing that they accept credit cards, and shopkeepers are even wearing their blue-and-yellow freebie jackets from Visa. As an official sponsor Visa is assured of exclusive rights inside the Olympic village, but other credit card companies can compete elsewhere in the city.

A Visa spokesman, Jeff Perlman, said an eight-month marketing effort had resulted in 2,600 Nagano-area businesses that now accept Visa.

The evolution toward credit has been hard, even for giants such as Japan Railways, the national railroad company. Until now, customers have had to shell out hundreds of dollars in cash for tickets — no checks, no plastic other than the charge card issued by the railroad company. But in the spirit of the Olympics, Japan Railways has quietly begun accepting major credit cards at stations along its Tokyo-to-Nagano route.

There has been no advertising and no signs in the station suggesting that cards are accepted. But if a foreign traveler shows up at the desk with no cash, a ticket agent will be happy to take a card.

But hospitality is one thing, and changing old habits is another. As soon as the Olympics are over, Japan Railways no longer will accept credit cards.

previously the leader in Nagorno-Karabakh. A presidential election must be held within 40 days (Reuters)

Israel to Halt Building Plan

JERUSALEM — Israel moved Wednesday to defuse a potential crisis in Jerusalem after the Interior Ministry ordered Palestinians by approving plans to build 132 homes in disputed East Jerusalem.

"There will not be any construction" in the Ras al Amud neighborhood, said David Bar-Ilan, senior adviser to Prime Minister Benjamin Netanyahu. "There have been many indications that it will disturb the balance of life in Jerusalem at this point."

At issue was a plan by Irving Moskowitz, an American millionaire who owns nearly four acres in the neighborhood of 11,000 Palestinians in East Jerusalem, to build 132 apartments for Jews there.

A second, master plan calls for the construction of 1,020 homes for Arab residents, the Interior Ministry said Wednesday. Both plans completed the bureaucratic approval process a year ago, but the interior minister withheld his signature at the request of the prime minister, said Matityahu Hontela, the Jerusalem district commissioner of the Interior Ministry. (AP)

Armenia Crisis Grows Worse

YEREVAN, Armenia — Armenia plunged deeper into crisis Wednesday when deputies accepted the resignations of the president and Parliament speaker, in effect handing power to the hard-line prime minister.

The streets were quiet in the capital, Yerevan, but there was turmoil in Parliament as supporters of President Levon Ter-Petrosyan lined up to submit their resignations in a dispute over policy toward Nagorno-Karabakh. Mr. Ter-Petrosyan resigned after a bitter public debate with Prime Minister Robert Kocharian, who opposed concessions proposed by the president over the disputed enclave.

President Boris Yeltsin of Russia expressed regret over Mr. Ter-Petrosyan's resignation and Azerbaijan convened an emergency session of its Security Council to discuss the developments in Armenia.

Under the constitution, the person next in line to be acting president after the speaker is Mr. Kocharian,

New Leadership in Morocco

RABAT, Morocco — King Hassan II of Morocco appointed the opposition leader Abderrahmane Youssefi as prime minister Wednesday, bringing an opposition figure to head the government for the first time in his 37-year reign.

A statement on official Moroccan radio said the king had received Mr. Youssefi, 73, the first secretary of the Socialist Union of People's Forces, at the royal palace and asked him to form a government.

"Mr. Youssefi accepted this mission," the radio said.

Political commentators and diplomats said a coalition was inevitable and may take some time to form.

General elections in November resulted in the 325 seats in the lower house of Parliament being divided almost equally among three blocs. Mr. Youssefi's party, party of the Kourta democratic bloc, holds 57 seats, the most of any party. (Reuters)

Weak Mandate in Costa Rica

SAN JOSE, Costa Rica — A center-right economist narrowly defeated the governing party candidate for president, and the voter turnout was 71.2 percent, a four-decade low, final results showed Tuesday.

Miguel Angel Rodríguez of the Social Christian Unity Party had 46.9 percent of the vote, compared with 44.4 percent for Jose Miguel Corrales of the National Liberation Party, the Supreme Elections Tribunal announced. Ten other parties divided 8.7 percent of Sunday's vote.

Social Christian Unity won 26 seats in Parliament, three short of a majority, and the National Liberation Party won 23. Six other members were elected from other parties, and the results for two Congressional districts were not announced.

Mr. Rodríguez is scheduled to take office on May 8. (AP)



The Armenian prime minister, Robert Kocharian, speaking on Wednesday in Yerevan. He is to become the acting president.

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Focus on the Weapons

The indifference of Saddam Hussein to the suffering of his people has created its own dilemma for everyone else. The Iraqi leader has refused to permit the full arms inspections that would end the economic sanctions the United Nations imposed after he swallowed Kuwait. He has mangled in using the oil-for-food loophole that the United Nations crafted to spare the Iraqi people the full brunt of his defiance. Now there is a new complication as, again, foreigners show concern for the Iraqi people whom he ignores. Even while the United States moves toward an early military confrontation on arms inspections, the UN secretary-general proposes to expand the oil-for-food loophole and to unlink relief from the gathering storm.

To the general case for humanitarian relief for Iraq, there can be no serious objection. The political argument over who is to blame for the Iraqi population's plight must yield on moral grounds to the alleviation of pain, which, seven years after the Gulf War, is by objective testimony severe in the extreme. In any event, the United States will likely gain politically from the support it promptly announced for Kofi Annan's initiative. The Arab countries in particular have criticized the United States for what they see as a

vendetta against Saddam Hussein pursued at the common man's expense. In the battle over who would blink first at Iraqi distress, the dictator in Baghdad has "won." This is not a contest in which the United States could ever have hoped to compete.

If the humanitarian case for the Annapolis proposal is powerful, however, its timing is bad. The United States is planning some days of heavy bombing to enforce the UN inspection mandate. It is possible to imagine that Saddam Hussein will ride out a first attack. Is this the right moment for the United Nations to move toward an early military confrontation on arms inspections, the UN secretary-general proposes to expand the oil-for-food loophole and to unlink relief from the gathering storm.

Such a posture would cut directly across the urgent international effort to take weapons of mass destruction out of his hands. A delay on the Annapolis proposal in order to keep a tight focus on the arms makes sense. Many lives are at stake there, too.

—THE WASHINGTON POST.

The Press Does Its Job

There is nothing like a big, fast-breaking story that people are really curious about for putting the professional press critics into their condemnatory mode. In turn, the whiff of condemnation puts many reporters and editors into mea culpa overdrive. A certain amount of public self-criticism is healthy in any field, especially one as powerful, diverse and unregulated as the media. But during Hurricane Monica, self-examination has morphed into unwarranted self-flagellation.

Free-flowing information is the fuel of democracy. The pontifical fog from the televised press panels should not obscure the key fact that industrious, unimpaired reporting has brought to light the factual outlines of a situation that indisputably belongs before the public.

The task of thinking straight about the mainstream reporting on this story is complicated by the sudden growth of non-orthodox journalism in the tabloids, the 7 o'clock gossip shows and Internet free-lancers. Certainly, these elements have speeded up the deadline clock and distorted the boundaries of good taste. As combatants in what Hillary Clinton regards as a political battle, the White House is well within its rights to seize on Matt Drudge's appearance on "Meet the Press" or ill-sourced accounts of the evidence-bearing dress as symbols of recklessness.

But no one should confuse regrettable lax sourcing and inaccurate details with being wrong on the big picture. Nor should we take President Bill Clinton's refusal to discuss matters about which he is the only person in the American government who knows the truth as a reason to end a national conversation that is worth having. It matters to millions of citizens whether the president has lied under oath or looking directly into the cameras. It is, moreover, a fair matter of civic curiosity for any citizen — or newspaper — to wonder about the reports

that the White House has not refuted. An obscure Pentagon employee who was once a White House intern was cleared to visit the White House 37 times in 21 months, had some kind of undefined relationship with the president, exchanged gifts and telephone calls with him, and shortly after being subpoenaed in the Paula Jones case had the energetic job-search services of one of Washington's most powerful lawyers.

The public cannot learn what it knows. Mainstream journalists cannot tell their readers or viewers never mind. Professional discipline calls for extreme care with the facts and the withholding of final judgment. However, it does not demand, or even allow, the shutting down of common sense or intellectual curiosity. Moreover, there is good cause to think that Mrs. Clinton's desire for a rigid "zone of privacy" around the personal conduct of the president is an unreasonable public policy.

In ordinary circumstances, The New York Times does not delve into sexual conduct and deeply private matters. But experience has taught that at the presidential level, many aspects of character and behavior are relevant to making an informed judgment about a person's ability to lead in time of crisis. We also note that Mr. Clinton's troubles in this area come from former Clinton acquaintances and business associates talking about a man they knew, out from unwarranted press snooping.

Journalism sometimes rushes too fast in the heat of competition. But both democracy and journalism are processes that are defined through action. The Clinton crisis may produce a new, more worldly way of judging the private lives of candidates and officeholders, but it would be a shame if journalistic digging got a bad name. For the last three decades, it has been the citizens' most dependable source — sometimes the only dependable source — on what the government was up to.

—THE NEW YORK TIMES.

Other Comment

Start Paying Off the Debt

Think of it: a balanced budget without a deficit. In fact, President Bill Clinton's fiscal 1999 federal budget projects a surplus of \$9.5 billion. And in the future? More balanced budgets with growing surpluses. The fiscal good news is dazzling.

This is a remarkable achievement, one that many Americans thought they would never see again. It is the result of commendable efforts by both the president and Congress and a conjunction of a buoyant economy and the end of the Cold War.

But Washington should not rush to spend those future budget surpluses. As of now, they exist only on paper and will occur only if the economy continues to perform at an exceptional pace. Even the \$9.5 billion that Mr. Clinton projects for next year is based on some iffy assumptions.

The president could seek to use some of the surplus to begin paying down the

federal debt. After all, just because a family paid this month's minimum credit card payment — the equivalent of balancing the federal budget in any one year — that does not mean the debt goes away. It is still there, with interest costs accumulating. The federal debt is still there, too, a massive drain on the economy, a giant shadow lurking just behind all the good budget news coming from the White House.

The debt grew from \$1 trillion when Ronald Reagan entered the White House to \$5.4 trillion today. The annual interest payment is one of the largest single items in the new federal budget. At \$242 billion, the interest cost is just shy of the nation's entire defense budget next year.

Some might ask: What's the point of trying? Well, many people had found a projected balanced budget unimaginable. There is only one way the astronomical debt can be dealt with — a dollar at a time. Let's start in 1999.

—Los Angeles Times.

For a Responsible America in a World Community

By Flora Lewis

DAVOS, Switzerland — The way the United States has come to tower over the world was made evident at this year's World Economic Forum. America's clear superiority in all major realms of power — military, economic, political, technological, cultural — was repeatedly called to everyone's attention.

William Richardson, U.S. ambassador to the United Nations, stressed "the importance therefore of the U.S. being international."

He was obviously addressing himself to Americans, especially congressmen who voted against paying back UN dues, because all the people here could not agree more. They see U.S. power not so much as an advantage but as a responsibility, which they would like to see better fulfilled.

The ominous noise of the impending and seemingly inevitable war with Iraq almost drowned out signs that Washington is coming to see that it does need to take some new initiatives.

The failure to foresee and avert the East Asia economic crisis, now recognized as a danger to many more than the countries directly hit, has sparked new thinking about how international finance has ballooned out of control.

Serious social upheavals are expected in several countries as the pain of economic collapse falls on many millions of people. Already, Washington is beginning to plan on providing emergency food assistance to Indonesia, which will not be able to buy essential supplies.

But beyond the efforts to stem the crisis, there is a new awareness that the mechanisms available to keep the world's money stable are just not adequate to deal with the overwhelming volume of capital flows.

The experts are starting to talk about "Bretton Woods II," a successor to the conference at the end of World War II which set up the World Bank and the IMF Fund and made what rules exist.

There is controversy about whether Bretton Woods II should set up additional institutions or provide new powers to the existing ones. But at least Washington has at last decided to study the issue and figure out how to draw up new proposals. The Clinton administration realizes that if it does not move, nobody else will.

The free market has become every-

body's maxim, but resistance is melting to the idea that orderly rules, particularly of disclosure and accountability, must be imposed if it is to function reliably.

Another new development, responding to foreign grievance, is the State Department's initiative on the use of sanctions. Since 1945, the United States has applied some kind of sanctions in a hundred cases for a wide variety of reasons ranging from human rights to terrorism to nonproliferation. But 63 of these cases have been in the last three and a half years, a sanctions mania burdening foreign relations.

American business is starting to lobby against the harm it does to commercial interests. So a system is to be devised to make a cost-benefit analysis of each proposal for sanctions. There are many times, especially with Iran and Cuba, when the damage caused by resulting tensions with allies may outweigh the impact on the target country.

The idea is to demonstrate that sanctions are not a cost-free foreign policy tool. To decide whether they are worth while requires a case by case study of the hidden costs as well as of the probability that they will work. And that

cannot be shown unless the aim is clearly and specifically defined.

Six hundred U.S. companies have set up an organization called USA-Engage to challenge sanctions mania. The State Department relies on their support to persuade Congress that sanctions have to be much more selective, much more carefully calculated in terms of national interest instead of special interest groups.

This is one way of taming the tendency to use America's newfound sense of power irrationally, just because the power is there when some Americans want to show disapproval of some thing, regardless of other countries' views. That is part of what drives others to denounce a supposed American will to hegemony.

Of course the power is limited by the will of others. But more important is to limit it by a sense of responsibility so that Pax Americana can for the first time provide the world with community rather than imperial dominion.

America is "indispensable," as President Bill Clinton has said, but neither it nor the world will benefit if it tries to be overwhelming.

Flora Lewis.

Friend Blair Pays a Timely Visit to the Unsteady Superpower

By Jim Hoagland

WASHINGTON — British prime ministers have long understood that American presidents always do the right thing in a crisis, after exhausting every other option.

The residents of 10 Downing Street have for six decades stuck close to the occupants of 1600 Pennsylvania Avenue — to be in position to tip the balance at the crucial moment.

Tony Blair's visit to Washington this week follows that familiar pattern, even if he would never dream of calling attention to it. He will instead stress Britain's willingness to join U.S. strikes against Iraq and will emphasize the close political and ideological partnership that he and Bill Clinton have established.

Both things are true. But they are not the whole story of the special relationship as the millennium approaches.

Mr. Blair is arguably Mr. Clinton's most important friend abroad at this moment of international political and monetary upset. No other important foreign leader combines solid control of the legislature, moral authority at home and economic

prosperity as Mr. Blair does. His three-day visit, which ends on Saturday, will point up that America has again become a brash, unpredictable Rome in need of tutoring and wise counsel but more sophisticated modern-day Athens.

This is a result in equal parts of Mr. Clinton's domestic troubles and uncertain handling of much of his foreign policy agenda, and of the legislative arrogance and introspection that grips Congress.

These factors make America an unreliable player in international politics today. Unlike the French, Germans, Israelis, Egyptians and others, the British mask their uneasiness with American leadership so as to be able to influence it.

Americans should remember that there will be two Tony Blairs visiting. On Iraq, he will speak as the British prime minister. On Iran, Cuba and other topics, he will speak as the European leader who chairs the European Union for the first six months of 1998.

Blair the Brit will offer genuine and important support on an urgent matter of war and peace. Blair the European will offer genuine and important opposition to congressional attempts to isolate Iran and extend U.S. law over foreign commercial transactions.

Mr. Blair's foreign secretary, Robin Cook, paved the way in Washington last month by publicly attacking the congressional approach to Iran as "wrong in principle and counterproductive."

Mr. Blair is more likely to stress the progress that has been made on controlling exports to Iran of technology and goods that can be used to build chemical, biological and nuclear weapons and long-range missiles.

He will report that Europe has moved significantly to tighten proliferation controls on Iran, and has joined Washington in pressing Russia's Boris Yeltsin to do the same.

U.S. special envoy Frank Wisner got Moscow to accept the European Union's list of

prohibited exports as its own. That should, in the British view, set the stage for a joint U.S.-European approach to Iran that emphasizes dialogue and drops punitive sanctions.

In general, European leaders have concluded that it is impossible to prevent Iran from eventually developing weapons for mass destruction. As a big, homogeneous and ancient nation, Iran must be dealt with and not simply ostracized, in this view. The task for diplomacy is to reason with the Iranian leadership, delay its acquisition of deadly weapons and discourage Iran from reckless actions.

Iraq under Saddam Hussein is a different case. Military action is justified to deny the Iraqi regime weapons of mass destruction.

But throughout the crisis over UN inspections, Mr. Blair and Mr. Cook, both of whom are lawyers, have pressed Washington to give the French and Russians time and flexibility to make a deal that protects the inspections while giving Saddam some "light at the end of the tunnel" on sanctions.

In November, for example, it was Mr. Cook who forced Secretary of State Madeleine Albright's hand when she initially balked at flying to Geneva to meet with him and the French and Russian foreign ministers on Iraq. He would have to go to Geneva even if she did not, the foreign secretary dryly observed, according to two independent sources, and Mrs. Albright changed her plans.

British concern that Washington might be rushing the pace of NATO expansion has also surfaced from time to time. It is difficult to gauge how this has affected U.S. decisions, but the recent U.S. policy statement that effectively put off consideration of NATO membership for the Baltic nations for a decade was met with relief in London.

Margaret Thatcher loudly took credit for guiding two American presidents in the ways of the world. Tony Blair is far more discreet, but certainly no less important to America's unsteady world leadership.

The Washington Post.

Storm Clouds Over the Pacific: Beware of Trade Tension

By Robert G. Lees

HONOLULU — Leaders on both sides of the Pacific should carefully watch storm clouds that are gathering just over the horizon. Unless clear heads prevail, the region may be heading toward a period of heightened tension between the United States and East Asia over trade.

Such tension could set back the cause of trans-Pacific economic liberalization, and slow Asia's recovery from financial turmoil.

Stalling economies and weak demand in East Asia, combined with currencies that are now worth much less against the dollar than in July, when the region's troubles erupted, provide both the means and the motivation for a surge of Asian exports to the United States.

Asia's recovery from financial turmoil.

Stalling economies and weak demand in East Asia, combined with currencies that are now worth much less against the dollar than in July, when the region's troubles erupted, provide both the means and the motivation for a surge of Asian exports to the United States.

Such tension could set back the cause of trans-Pacific economic liberalization, and slow Asia's recovery from financial turmoil.

Stalling economies and weak demand in East Asia, combined with currencies that are now worth much less against the dollar than in July, when the region's troubles erupted, provide both the means and the motivation for a surge of Asian exports to the United States.

The timing could not be worse. Protectionism and a "Why should we care about Asia?" attitude are gathering strength in Congress, and could set off a new round of trade warfare if triggered by a surge in Asian imports.

Many Asian companies will find it difficult to recover by expanding sales at home or in

other Asian markets. They will need to look outside the region. The United States will be a key target because it has a robust economy, an open trading regime, a market large enough to absorb these products, and an overvalued currency.

Weakened Asian currencies will give Asian goods a competitive price advantage, arming Asian firms with a weapon to export aggressively.

How would such a surge of Asian imports be viewed in the United States? The Clinton administration has pushed for free trade and support for the IMF. But long before the administration's push for these causes had been weakened by scandal, Congress had already shown the strength of its protectionist muscle by forcing President Bill Clinton to back away from formally requesting fast-track trade negotiating authority.

The last Congressional session closed without even voting on a White House request for extra U.S. funding for the IMF, and Mr. Clinton faces an uphill battle securing the money in the current session.

It does not take much imagination to envision the damaging media sound bites that certain politicians could fashion about the U.S. taxpayers who paid for the Asian IMF bailout, only to find their jobs being threatened by a rising tide of

imports from these same nations in East Asia.

Especially as Japan, the country with the greatest financial exposure to the region, does little to further open its markets and stimulate demand even though it has the world's second largest economy.

It would be an extreme tactical blunder for Asian leaders to assume that because the American economy seems likely to continue growing at a healthy pace, a high increase in imports could be absorbed without bowls of protest or calls for retaliatory action.

Funding for IMF programs and continued trade liberalization are essential if East Asia is to surmount its current difficulties. The highly charged political atmosphere that would result from a surge in Asian imports would imperil U.S. participation and leadership in both.

Responsible leaders on both sides of the Pacific would be well advised to ponder the implications of these disturbing but very real possibilities.

The writer is secretary-general of the Pacific Basin Economic Council, an association of senior business leaders representing more than 1,000 firms in 20 countries around the Pacific. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: No to Illiterates

WASHINGTON — After a short debate the Senate, by a vote of 48 to 25, passed the Anti-Immigration bill, excluding from United States territory illiterate immigrants over sixteen years of age. Exception is made for widows, fathers and mothers and grandfathers and grandmothers of immigrants already established in the United States.

1923: Italian Business

ROME — Signor Mussolini, the Premier, has won the support of Italian business circles with his motto, "Speed and Production." This slogan is one which manufacturers have been striving to popularize. They find that Signor Mussolini is now on the way to doing it; both his technique and his reforms inspire them with confidence. Manufacturers in Milan, merchants in Rome and bankers in

Naples all speak of him with equal enthusiasm. And this is what they say: "At last Italy has a statesman who knows what he wants. Mussolini has steady nerves. He will not let himself be imposed upon by mob threats. He will no longer permit the Treasury to be a general grab bag. He will give Italy prestige. Business will boom."

1948: Ceylon Free

COLOMBO — Ceylon, after 300 years of foreign domination, today [Feb. 4] attained full self-government. At midnight temple bells heralded the advent of Ceylon independence, and later salvos of guns, the bursting of fireworks and the shriek of sirens proclaimed the birth of the Dominion. Ceylon's Premier appealed to the people to "rise to opportunities which freedom offers and to strive for the establishment of this great Lanka (Ceylon)."

Herald Tribune

ESTABLISHED 1887

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER

Co-Chairmen

KATHARINE P. DARROW, Vice Chairman

RICHARD McCLEAN, Publisher & Chief Executive

MICHAEL GETLER, Executive Editor

• WALTER WELLS, Managing Editor • PAUL HORVITZ, Deputy Managing Editor
• KATHERINE KNORR and CHARLES MITCHELMOORE, Deputy Editors • SAMUEL ABT and
CARL GEWIRTZ, Associate Editors • ROBERT J. DONAHUE, Editor of the Editorial Pages
• JONATHAN GAGE, Business and Finance Editor
• RENÉ BONDY, Deputy Publisher
• JAMES McLEOD, Advertising Director • DIDIER BRUN, Circulation Director
Directeur de la Publication: Richard McClean

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel: (1) 41 43 50 00 Fax: (1) 41 43 52 10, Advertising: (1) 41 43 52 12, News: (1) 41 43 50 33.
Internet address: <http://www.ihb.com> E-Mail: ihb@ihb.com
Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 11900 Tel: (65) 472-7768 Fax: (65) 274-1134
Gen. Dir. Asia: Terry Dunne, 30 Gloucester Rd., Hong Kong Tel: 852-3023-1188 Fax: 852-3023-1190
Gen. Mgr. Germany: T. Schäfer, Friedrichstr. 15, 10117 Berlin Tel: +49 30 971250-0 Fax: +49 30 971250-20
Pres. U.S. Ann Blahnik, 850 Third Ave., New York, N.Y. 10022 Tel: (212) 753-3800 Fax: (212) 753-5755
U.S. Advertising Office: 43 Long Acre, London WC2E 9LT, Tel: (171) 836-4802 Fax: (171) 240-2254
S.A.S., on capital of 1,200,000 F.R.C.S. Number: 73302/126, Commission Paritaire No. 61337
©1998, International Herald Tribune. All rights reserved. ISSN 0241-9005

Advertisement **INTERNATIONAL FUNDS** Febr
available on Internet: <http://www.iht.com/IHT/FUN/funds.htm>

Quotations supplied by fund groups to Micropal Paris, t: 33-1 40 28 09 09, e-mail: info@micropal.fr

For information on how to list your fund, fax Katy Hourli at (33-1) 41 43 82 12 or E-mail: funds@lnt.com
To receive free daily quotations for your funds by E-mail: subscribe@e-funds@lnt.com

[illegible]

We thank you for the list above. The list is supplied by the fund manager, Micalopa SA, it is collected and submitted into the list before being transmitted to the IFT, Micalopa and the IFT do not warrant the quality or accuracy of the list, the data of the performance of these of the Fund Grouped and will not be liable for the list, the data of Fund Grouping to any extent. The list is not and shall not be deemed to be an offer by the IFT or Micalopa to sell securities or investments of any kind. Investments can fall as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified independent advisor before investing.

[illegible]

TribTech

NASA Quietly Gets Ready for That First Trip to Mars, Just in Case

By Warren E. Leary
New York Times Service

WASHINGTON — As it has through the ages, Mars, at times the nearest planetary neighbor of Earth, holds a strange fascination for people and has long been a coveted destination for the more imaginative.

Whether spurred by science fiction or hints of past life in ancient Martian rocks, many people seem to feel that inevitably humans will set foot on the red planet, first to visit, then to stay.

Quietly, and often unnoticed, scientists and engineers are putting together plans and the technology to make such dreams a reality. At several National Aeronautics and Space Administration centers, and at universities and aerospace companies, small-scale studies are under way on bits of technology that could come together to send a human crew to Mars early in the next century.

New approaches being examined for a Mars trip — using lighter, partly inflatable ships, developing closed systems to recycle wastes and produce food, and making rocket fuel on Mars instead of hauling it from Earth — show promise.

Because there is no political mandate for a human mission to Mars, NASA is approaching the possibility cautiously

and with little fanfare, sponsoring several low-cost research projects and reading blueprints for an endeavor, should one be called for.

"I don't know of another event that would inspire our imaginations or stimulate our innate feelings for exploration more" than such a journey, said Daniel Goldin, the agency administrator.

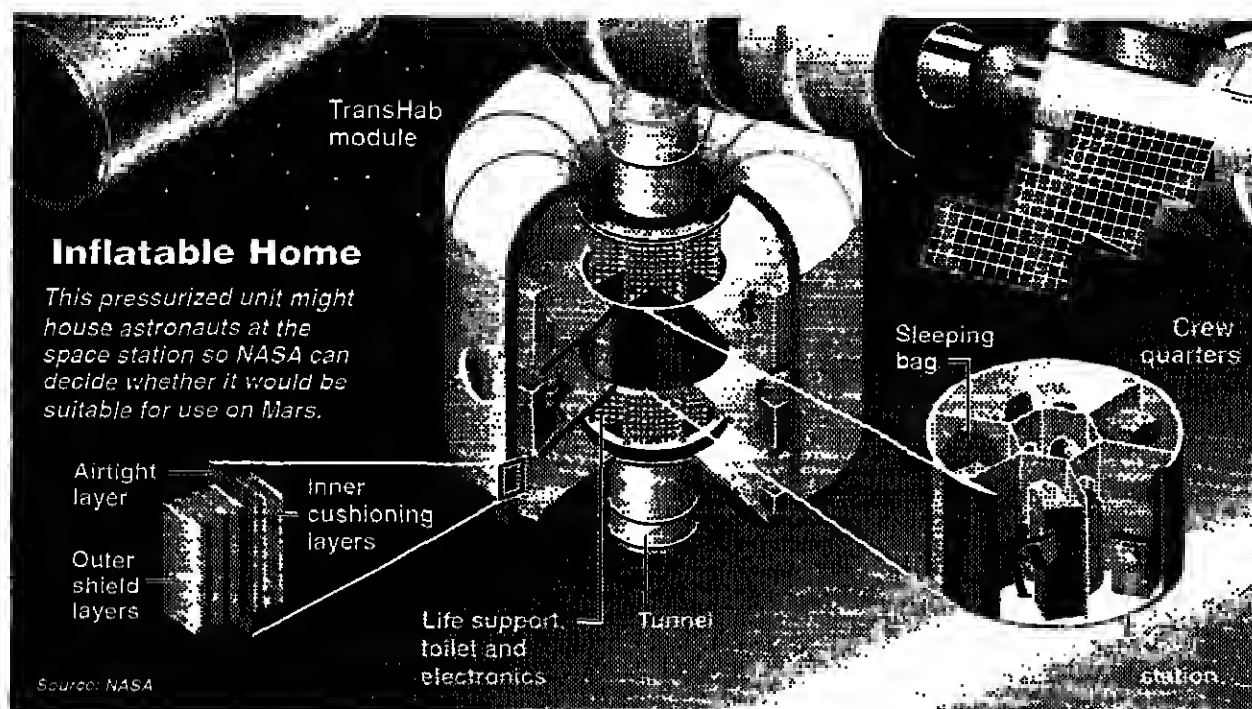
Mr. Goldin says that in the next five or six years, he wants his agency to lay the groundwork for such a venture. At the end of that period, he said, criteria for the mission should be solid enough to show the president or Congress how to accomplish it within 8 to 10 years of setting a starting date.

Four questions must be resolved before there can be a serious human Mars proposal, Mr. Goldin said: Can people live and work in space for the two to four years required? Is there a compelling scientific reason for people to go? Can the journey be made for a relatively low cost? Should the United States conduct the mission alone or as part of an international project?

To address these questions, NASA officials said, the agency has been spending \$5 million to \$10 million a year on studies directly related to human exploration beyond Earth orbit.

Much has changed from previous efforts, say Louis Friedman, executive director of the Planetary Society, and other experts. First, the cost estimates for a Mars expedition have dropped sharply in the last few years and should continue to fall as researchers explore new ways of doing things, they say. Recent estimates by NASA engineers put the cost of sending six astronauts to Mars on a two-to-three-year mission at about \$55 billion, only about 10 percent of the projection a decade ago.

Some experts hold that robots are the best way to explore Mars. But Mr. Goldin and others said initial studies may turn up tasks that only humans can do well.



Some of the technology under consideration for Mars likely will be tested on the international space station, construction of which is scheduled to begin in orbit later this year. The 470-ton outpost is to be completed around 2004 by the United States, Russia, the European Space Agency, Canada and Japan.

ONE major change being considered for the space station has an important potential Martian application. NASA has issued a stop-work order on a long-planned habitat module being built by Boeing Co. as a major American contribution to the station and is considering substituting a lighter, inflatable unit called TransHab. The pressurized habitat, one of six prin-

cipal compartments of the station, is to house the living quarters and much of the equipment for American astronauts on the outpost.

NASA officials said they would decide by the end of the year whether to continue work on the original module or to go with the new concept. The cost estimate of either option, to be launched to the station in 2003, is about \$100 million, they said.

"We're designing a space-inflatable habitat that is safer, cheaper and better than anything currently in the works," said Donna Fender, the project manager at NASA's Johnson Space Center in Houston. "We are not designing Mars hardware, but my goal is to provide an inflatable habitat for the space station

not provided for in current plans for the station, Ms. Fender said. Such a radiation shield would be useful on an interplanetary trip or on Mars, which, unlike Earth, has no magnetic field to trap solar radiation above the planet.

Other technology in the works focuses on regenerative life support systems that can recycle wastes while producing oxygen and food for space travelers.

NASA engineers working with the Advanced Life Support Program, also headquartered at the Johnson center, say they have made great strides in developing a bioreactor that uses microbes to clean waste water before it is filtered through a conventional reverse-osmosis purification system.

Don Henninger, head of the life-support program at Johnson, said the program completed a 91-day test in December in which four participants in a sealed chamber proved that such a system was feasible. It allowed recovery of 99 percent of potable water, he said, processing a total of 2,300 gallons from the 210 gallons originally stored.

For the first time in such a test, engineers used an incinerator to recycle fecal waste, recovering carbon dioxide and water vapor used to nourish wheat and lettuce growing in an adjacent chamber. The wheat, in turn, produced 25 percent of the oxygen used by the crew.

The regenerative system has obvious implications for a Mars trip, because it would be expensive and impractical to take along all of the food, water and other consumable items that the crew would need without recycling it, he said.

The program is planning to build a large research unit known as Bio-Plex to test the idea of a completely contained, closed system that can sustain a crew for more than a year.

"Our job is to be ready with the technology when it is needed," he said.

SITES

Related sites on the Internet:
• The latest on Mars exploration projects from the NASA Ames Space Science Division is at:
cmex-www.arc.nasa.gov/
• A list of Mars-related links, sponsored by ThinkQuest, is at:
library.advanced.org/11147/pages.htm
• A launch pad to help navigate Mars and the possibilities it offers is at:
www.qsl.net/n1sld/mars/frameset.html

U.S. Cyber-Establishment Bets Chips on 'Internet 2'

Universities Team With Firms and Government

By Robyn Meredith
New York Times Service

NEW YORK — A handful of researchers scattered across the country are rushing to develop a videoconferencing computer program so sophisticated that it will allow executives in four locations to "sit" around a table together, "handling" documents back and forth while they talk.

The virtual meeting is perhaps the most ambitious of many programs now being designed for the next generation of the Internet, an endeavor President Clinton championed in his State of the Union address.

Researchers at more than 100 universities, with the backing of a few companies, are taking the lead in the effort, and their quarterback is Douglas Van Houweling, one of the creators of the original Internet.

Mr. Van Houweling is chief executive and president of the University Corporation for Advanced Internet Development, a nonprofit group that is trying to harness academia, government and industry to put together Internet 2, as the project is called, as well as the programs needed to operate it.

Mr. Van Houweling's plan is to add high-speed lanes to the clogged electronic highway that today's Internet has become. After the universities develop and debug these new lanes over the next two to five years, commercial interests will probably take over, imposing

charges on those using Internet 2's premium services.

Mr. Van Houweling envisions Internet 2 as a way for high-end users to quickly and reliably move huge amounts of data across phone, cable, satellite or other yet-to-be-invented networks. The virtual meeting is just one advance that would be far ahead of current technologies.

"Today's Internet is like a single-lane highway with unlimited access points and no traffic control," said Mr. Van Houweling, who is based in Ann Arbor, Michigan. "There will never be a red light that will come on and say you can't use it. When the traffic gets heavy, things slow down."

Internet 2 will add toll lanes to speed things up.

While the strength of the Internet has been its accessibility, this has become a weakness for those who need to move large amounts of data quickly. There is now no way for them to separate themselves from the rest of the pack, who typically send e-mail.

Allan Weiss, chief executive of Advanced Network & Services, said he hoped the technology would be up and running by 2000 and commercially available by 2003. Companies that want to commercialize the service will most likely need to license the intellectual property rights from the various universities that developed it, he said.

Mr. Van Houweling's organization consists of 117 universities. Each contributes from \$500,000 to more than \$1 million a year to upgrade its campus computers and to help develop programs for Internet 2.

On the business side, about 25 companies have pledged to pay \$10,000 each in annual dues and to provide services. Participants include Cisco Systems Inc. and 3Com Corp., which will be involved in designing advanced switches and routers for the system; IBM Corp., which plans to give \$3.5 million in grants; telecommunications giants MCI Communications Corp., AT&T Corp. and Sprint Corp.; and Starburst, an independent software vendor.

Public and private research centers



Douglas Van Houweling, a creator of the Internet, aims to speed it up.

like the National Institutes of Health and IBM's Watson Laboratory may become members of University Corp., which is also holding talks with Microsoft Corp. about joining.

The main government component in developing Internet 2 is the Very-High-Performance Backbone Network Service. The network links supercomputers and other computer banks across the United States and is managed by MCI and financed by the National Science Foundation.

"This is a good example of the kind of partnership between industry, universities and government," said Vinton Cerf, senior vice president of Internet architecture and engineering at MCI.

By working closely on developing the new technology, the thinking goes, the corporate participants can help to ensure that it will have commercial applications. That is one difference between the development of Internet 2 and the current Internet, which evolved slowly from its specialized military and research roots.

"We're starting off this time with an

even more determined effort to work with the major companies in the industry," Mr. Van Houweling said. "The applications are the focus of what we do — we don't want to build a highway for some kind of vehicles that will never arrive."

Mr. Cerf conceded that it was impossible to know how many of the projects of Mr. Van Houweling's group would make it to commercial use. Still, he is optimistic. "The more people who are out there exploring the technology, the faster we will discover the good stuff," he said.

Internet 2 is already expected to be capable of advanced data mining — combining information in several databases around the country to analyze files and find patterns.

The broad commercial use of Internet 2 is at least four years away, those involved in the project say. And after Internet 2 is up and running, the next task is clear.

"Five years from now, we'll be talking about Internet 3," Mr. Van Houweling said.

ALT/Commentary

The Writing on the Wall Says Writing Won't Last

Why Bother if Software Can Do the Work?

By Richard Reeves
Universal Press Syndicate

LOS ANGELES — An Internet advertisement caught my eye the other day, publicizing software called Voice E-mail — \$29.95 if you "Click Now!"

I saw the future and it talks. It wanted to talk to me. It wanted to replace writing, which I took as replacing me. This is what it said:

"While most computer users type an average of 20-30 words per minute, and while most professional typists average 60-80 words per minute, human speech averages 200-250 words per minute."

"There is no need for editing," the ad went on, "no need for spelling, no need for grammar or punctuation checking!"

So much for me — or for what I know how to do.

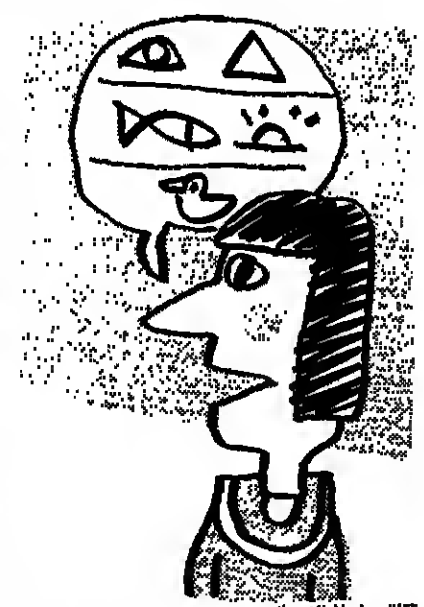
I should be used to it by now. I graduated from college as a slide-rule, vacuum-tube engineer. Within a few years, Texas Instruments was selling everything I knew for about \$10 — I was replaced by a pocket calculator.

Then I went to work for newspapers, and two of them, the Newark Evening News and The New York Herald Tribune, folded out from under me.

But I had learned to write. You could always get work if you were good at editing, spelling, grammar, punctuation. Now are they going to sell everything I know again? I think so. At least the fundamentals will go for about \$29.95.

In the electronic communication business, as in any fast-growing commerce, the search is on for "the next big thing." Smart people were once sure that picture-phones — it seemed so logical to combine telephones and television — but it turned out most of us don't want to be seen in the privacy of our own homes.

I may be just as wrong as futurists usually are, but I do think the big think



moving out there is the inevitable decline of the written word and the rise of little speakers in home, office, car and pocket.

Why write when you can talk? Most people think writing is difficult, even torture, and they have no patience or time for reading. The same folks love to talk and listen.

Well, the hardware exists, and software is being developed, to make it possible to function by directing streams of verbal consciousness at computers inside refrigerators, televisions, stores, dashboards, school desks and flush toilets — accepting and sending audible directions and information in any language.

IF THERE are languages, I'm joking, but I see troubling portents in Windows 95, Microsoft's pictographic — and, therefore, universal — language, using icons and mouses rather than letters and key-striking.

I could be wrong about how long it might take to change the world. Creating the software making such things possible is labor-intensive, takes a lot of man-hours, so programs lag hardware capability — and the government, you and I lag hardware.

Keeping up is difficult even for the men and women who spend all their time pushing the envelope of technology.

But, along with Microsoft Corp., companies as serious as IBM and Lucent Technologies Inc. appear to be pushing forward.

Even writers are on in this. Don Katz, whose books include "Home Fires" and "The Big Store," gave up typing for money to build a company called Audible Inc., which has just introduced a pocket-sized, 3.5-ounce gizmo that loads itself with sound from the Internet, from audio-books and from anything else that makes noise — in effect, giving anyone out there a chance to program a personal mobile radio station.

Mr. Katz, the new tycoon, says building a company from an idea makes writing seem relaxing.

I don't doubt that, but talking and listening are a lot easier than either commerce or art — and given a choice, most people opt for convenience. The ongoing history of our times has been the drive to make life easier and easier for most of the people most of the time.

BRIEFLY

• **CLEANING WITH RADAR:** The Swedish appliance giant Electrolux AB has unveiled a prototype of a robot vacuum cleaner, designed to ease the load of housework-haters around the world.

The robot vacuum cleaner is a smooth round disk with wheels, with built-in navigational radar that allows it to vacuum its way around any room without bumping into furniture or other obstacles. When placed on the ground, the battery-operated vacuum cleaner automatically starts cleaning without any human help.

Its radar first finds the nearest wall and vacuums around the edge of the room. It then cleans the rest of the room in irregular stretches, slowing down when it approaches an obstacle and steering out of the way with a micro-processor.

Electrolux, which began making vacuum cleaners in 1909 and now makes about 20 percent of all those sold in the world, said there were no immediate plans for production. Tests are being carried out to determine consumer and commercial viability.

The unique thing about this robot is that we have made a breakthrough when

it comes to cost and production. It is fully possible to manufacture," said Michael Treschow, the chief executive.

Electrolux has already developed a prototype solar-powered robot lawnmower, sold under the brand name Husqvarna.

• **PC CRASH ALERT:** A five-year streak of robust growth in Japan's personal-computer market is set to come to a halt as the sluggish economy has hit buying by both companies and consumers, a trade group said this week.

The Japan Electronic Industry Development Association, a group of 23 major PC makers operating in Japan, said domestic shipments of PCs in the year ending March 31 would fall for the first time in five years.

About 6.7 million units in the 1997-98 business year, short of the target of 7.5 million it announced in November and down 6.8 percent from 1996-97.

The November forecast had already been cut from a forecast last spring of 8.8 million units as sales steadily slumped.

PC shipments in the fourth quarter of

1997 fell 7 percent from a year earlier, their second consecutive quarterly decline, the group said.

• **ON-LINE CONTINENT:** AOL Bertelsmann Online Europe GmbH expects to have more than 2 million customers by July, challenging Deutsche Telekom AG as Europe's leading provider of on-line information services.

The joint venture of America Online Inc. and the German media company Bertelsmann AG has seen its membership reach 950,000 since it began operating in Europe in November 1995. The purchase this week of Compuserve Corp.'s European operations almost doubles AOL Bertelsmann's subscriber base to 1.8 million, putting it second to Deutsche Telekom's T-Online and its 1.9 million subscribers.

• **WEB-JACKING:** The recent attention being paid in Matt Drudge, publisher of the Drudge Report, an on-line gossip sheet covering the Monica Lewinsky case, has meant that his Web site (www.drudgereport.com) has become one of the most popular information destinations on the Internet, often making it difficult to get on to the site. But if

users type that same Web address as drudgereport.com (note the missing letter "d"), they will end up in a site that has little to do with Drudge or Washington. They will be transported to the cyberhome of a bank in Latvia, which is capitalizing on Mr. Drudge's notoriety to pull Web traffic its way.

Paritete Bank, which is based in Riga and hills itself as an offshore on-line bank, uses the Internet aggressively to draw new business — and in doing so has registered a variety of domain names.

In addition to the obvious addresses, such as www.paritete.lv and www.paritete.com, it has laid claim to www.anonymousbanking.com and www.offshore-account.com. It has also registered dozens of marquee brand names or variations thereof. The variations run the gamut from bloomburys.com to warnerbrother.com.

Most of these sites have been registered since the beginning of this year, with the help of a company based in Duhlin named Martinsine Marketing.

"We believe these sites help drive general traffic to our site, and even if a visitor was not looking for bank facilities in Latvia, he might remember us

and come back," said Alexander Ruchkovsky, Internet project manager for Paritete, who estimated that 30 percent of new accounts came through the bank's Web site.

• **THE SMALL PICTURE:** Fuji Photo Film Co. will introduce the world's smallest and lightest megapixel digital camera in Japan on March 4.

The camera is equipped with a 1.5 million pixel "charged-coupled device" sensor, the company said. Such a device is equivalent to film in analog cameras; a CCD sensor takes in light and color information from an image and transforms it into digital information. Digital cameras for consumer use normally have CCD sensors with about 300,000 pixels, while high-end models used by professional photographers can have more than 2 million pixels.

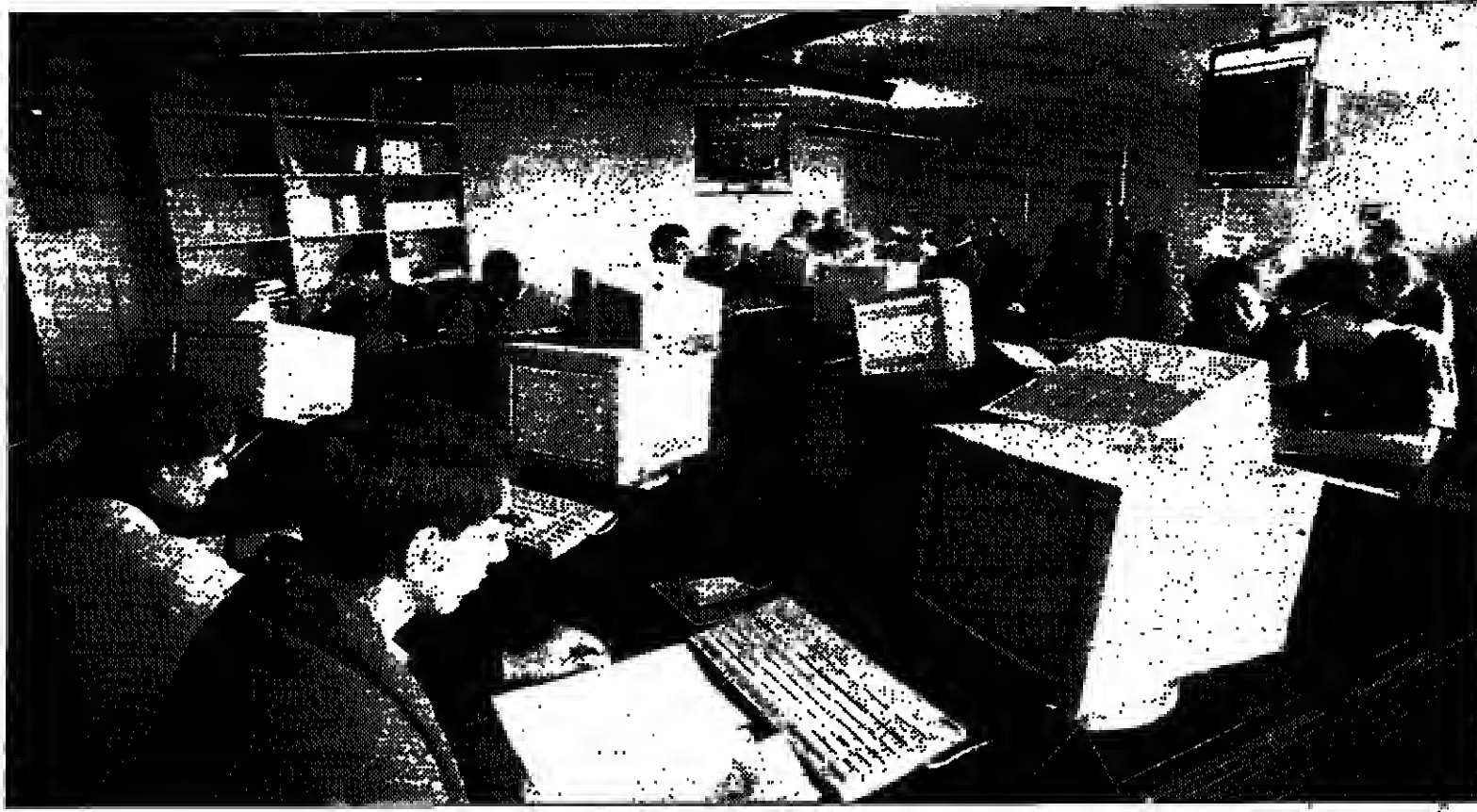
The camera, which weighs about 245 grams (8.6 ounces), will sell at retail for 99,800 yen (\$790), the company said. A spokesman said Fuji planned to start exporting it in April.

The company aims to sell 250,000 of the cameras in Japan during the first year of sales, the spokesman said.

(Reuters)

CÔTE D'AZUR: WHERE MULTIMEDIA FLOURISHES

The Côte d'Azur has long been favored by creative artists. The impressionists were drawn by the purity of its light. The world of film, television and advertising comes to shoot on location and attend industry events like the Cannes Film Festival. Companies and individuals working in a more recently developed form of art and communication, multimedia, also appreciate the sophisticated telecom networks and the technical and creative expertise for which the Côte d'Azur has built a solid reputation.



THE IMPORTANCE OF NETWORKING

Artists and technicians benefit from local multimedia associations and international meetings.

Unlike painters and writers, who may shut themselves off from the world, the creative juices of multimedia artists flow best through interactive contact.

The telecommunications infrastructure on the Côte d'Azur takes care of the electronic contact, but not at the expense of face-to-face interaction. Clubs and associations abound for networking within the region, while conference destinations like Nice and Cannes draw half a million visitors a year to some of the leading media events in Europe.

The world-renowned Cannes Film Festival in May is followed by its counterpart for advertising in June. Television takes the spotlight with MIPDOC for documentary program screenings in April; MIP-TV, the international television program market in April; and MIPCOM, Junior, featuring program screenings for young people in October.

These celebrations of traditional media are supplemented by two major "new media" options: MIDEM, the international record, music publishing and music-video market in January, and MILIA, the international market for interactive media in February.

Even tiny Monaco has a major multimedia attraction with Imagina, a 17-year old conference that began as an offshoot of the Festival of Television of Monte Carlo. This year it will attract more than 7,500 computer-graphics experts from 50 countries. Imagina press attaché Sophie Benhalla explains why: "There is no equivalent show in Europe geared to professionals."

Networking need not involve thousands of people; sometimes a few contacts are enough. On a local level, clubs and associations provide myriad opportunities for the direct exchange of ideas. One of the oldest of these, the High-Tech Route (Route des Hautes Technologies) was created a decade ago by the regional council of Provence-Alpes-Côte d'Azur.

Telecom Valley was created in 1991 by eight large companies, French and American, and today includes some 40 members representing 6,500 knowledge workers in telecommunications.

Club Hi-Tech was launched in 1992 by the Nice Chamber of Commerce to encourage interaction between high-tech businesses and the region's universities and research institutions.

IMEI, the Mediterranean Institute of Teleactivity, was launched in 1994 to promote interactivity among telecommunications operators, service providers and users.

Data Base Forum was created in 1994 by Serge Miranda, a professor at the University of Nice-Sophia Antipolis. It is the first database group in France to be independent of industry vendors. Its events feature speakers from Microsoft, Oracle and IBM, and exchanges with UCLA, among other institutions.

Club MITSA (Multimedia, Interactivity and Teleactivity) at Sophia Antipolis was created in 1995 to encourage interchange among the area's high-tech companies, multimedia-software developers, and local artists, teachers, business professionals and customers. The club's president, Senator Pierre Laffitte, was also the founder of Sophia Antipolis and has been a driving force behind the region's overall transformation into a high-tech domain. He considers the mix of skills and backgrounds among the club's some 200 members to be "a true breeding ground for creativity."

Club EuroSud 155 was launched in 1996 by Data Base Forum, France Telecom, IMET and Telecom Valley to support the development of multimedia technology based on the area's ATM platform and high-speed network. Its goal, says Claude Gueguen, the group's president, is "not technology, but the creativity that high-speed ATM technology can generate."

ATTRACTING THE RIGHT BRAINS FOR MULTIMEDIA EXCELLENCE

Creativity is an essential quality for developing both content and hardware.

What is the Côte d'Azur's recipe for a successful multimedia environment? Start with an inviting and accessible location, add the essential infrastructure, stir in a blend of workforce talent, university brains and community willpower, and voilà.

The creative arts have had an ongoing relationship with the Côte d'Azur. Since the 19th century, the French Riviera has been a *terre des artistes*, attracting painters drawn by its visual beauty and the remarkable purity of its light.

Creative talents from the entertainment and advertising industries appreciate other attractions of Southern France: an international airport and a sophisticated and reliable communications infrastructure. The region is recognized as a *terre de tournage*, with a remarkable variety of scenic locations for shooting film or video.

Multimedia is a new player in both the entertainment industries and the merging fields of information and communications technology. The term refers to "sound, data and/or visual content delivered over digitalized media platforms," according to the Organization for Economic Cooperation and Development's definition.

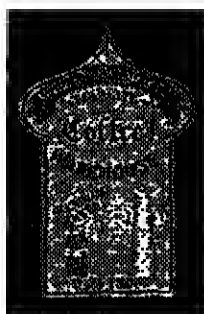
The Côte d'Azur's recognized strengths in information and communications technology are reinforcing the region's growing reputation as an incubator for multimedia activity. Requisites are access to large and sophisticated databases, high-speed networks and both technical and creative expertise for content.

The necessary ingredients

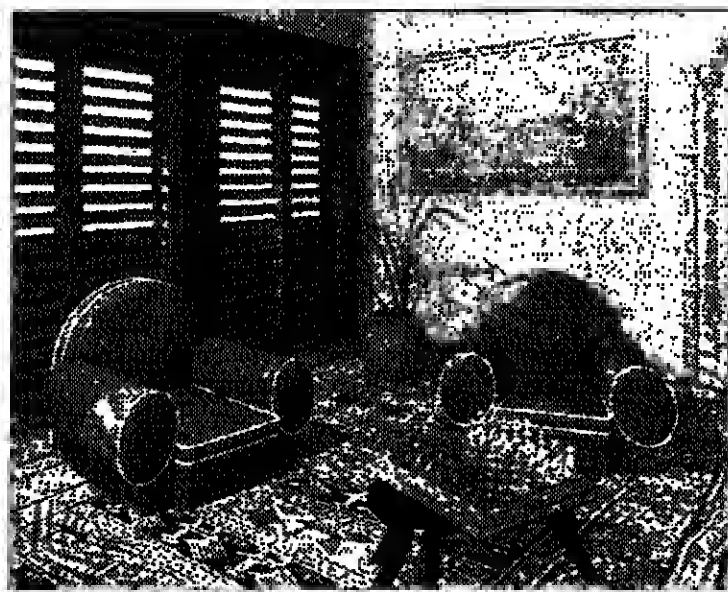
The French Riviera has all of these. Companies like Amadeus, SITA, Questel Orbit, Oracle and others have or provide access to databases. Some of the leading companies in information and communications technology have research facilities here: AT&T Corp., Digital Equipment Corp. and International Business Machines Corp., among others. The University of Nice-Sophia Antipolis hosts a multitude of research projects and specialized programs, and it is flanked by a variety of high-level institutes focusing on multimedia.

France's first approved ATM (Asynchronous Transfer Mode) platform, created by France Telecom, is located here. A two-year project will test applications for this high-speed telecommunications network capable of transmitting 155 megabits per second.

More than 100 multimedia-specific companies are located in the area, covering a range of activities from the production of multimedia



Top: Students at CERAM, which offers a master's degree in databases and systems integration with a multimedia option. Above and right: Images from a Web site and CD-ROM about coffee by the company ROM.



equipment to the development of information content, distribution, CD-ROM production, creation of Web sites and other services. They are reinforced by an educational and association infrastructure that encourages interactivity at all levels.

A focus on customers

"Companies are changing. They are more concerned with content and customers than ever before," observes Jean-Pierre Mascarelli, president of Côte d'Azur Développement and vice president of the Alpes-Maritimes local council. "And the nature of our region favors the open exchange of communication essential to the information society."

More than half of the multimedia enterprises on the French Riviera have been created since 1991, and more than three-fourths of them are independent startups.

"Today's companies are small and flexible," says Mr. Mascarelli. "They want to rent, not buy. They are mo-

hile, which means they can decide to move here rather quickly, but it means they can decide to move away quickly as well. So we have to give them reasons to stay."

The reasons are what constitutes the region's recipe for success. "Our key points are often described as our reputation, our attractiveness as a site and our international airport," says Mr. Mascarelli, "but these are a given. All economic develop-

ment regions have got to promise these things. Our unique advantages are our creativity and the quality and content of our offer, including service, a multicultural environment... and a high quality of life."

"Those working in multimedia will feel especially at home here," summarizes Mr. Mascarelli, "because artists and creativity have a long-standing tradition on the Côte d'Azur."

A VIBRANT INTELLECTUAL COMMUNITY

Multimedia development is not isolated in a science park but integrated into the life of local citizens.

On the Côte d'Azur, multimedia development is not isolated in a science park but integrated into community life. Scientific pursuits and local citizens are interconnected in a variety of ways.

Interconnectivity begins with Nice Airport, the second-busiest in France. The airport recently received funding from the Provence-Alpes-Maritimes-Côte d'Azur regional commission for a \$10 million expansion over the next two years. Its appeal for business travelers lies not only in its international connections, but also its convenient in-town location. Mikko Kiukkunen, director of European sales for Starburst Communications, observes, "I travel a lot in my job, and I know that some European airports have more direct international flights. But you lose that advantage by the time it takes to get to the airport itself, like Paris or Heathrow."

Local subscribers to Telertiviera, an experimental cable service in Nice, are already enjoying the fruits of multimedia advances. They have unlimited access to the Internet at 50 times the speed of an ordinary phone connection, services like local traffic, film and CD-ROM previews, and eventually television access to 35 digital channels and 30 analog ones, all for 150 French francs per month. A survey last November revealed that subscribers connect to the service twice a day and stay on for more than an hour. Cannes has a similar initiative in the works.

Since December 1996, a different sort of program has been running at the Nice Chamber of Commerce with the financial support of the Alpes-Maritimes local council. The Côte d'Azur Resource Center is an interactive presentation geared to professional delegations, journalists and potential investors. Rich in economic and touristic details and color images, it provides a virtual visit to the sites and attractions of the region. More than 2,000 visitors viewed it in its first year, and it contributed to helping a number of them in making their investment decisions.

MEDSAT's purview is broader: It was created in 1996 to promote the development of the information highway in Europe and the Mediterranean region. It focuses on collaborative cultural, educational and medical projects through multimedia initiatives.

The World Trade Center in Sophia

Antipolis, which opened its doors in 1997, has a special interest in welcoming multimedia and other high-tech companies to its modern office facilities, which include on-line services and links to 500,000 businesses worldwide. The director of the WTC, Joseph Ottow, says that "it aims to become a physical and virtual campus which attracts the best minds that develop the future of our networked society. It provides an optimal environment in order to foster synergy and creativity within the local multimedia world."

The International Center for Advanced Communications (CICA) in Sophia Antipolis is an incubator for innovative enterprises specializing in computer-generated images, CD-ROMs and language adaptation, among others. Some two-thirds of CICA's 50

current occupants are startups, with a success rate of 98 percent.

Network options in the region include R3T2, the regional telecommunications network dedicated to research and technology, and RENATER, the national network for teaching and research.

Advanced transportation and communications infrastructure means little without the talent to take advantage of them, however, to develop multimedia products of added value, added-value intelligence is needed.

The intellectual and academic resources on the Côte d'Azur prove that brains add value to the region's natural beauty. For example, the 27,000 students at the University of Nice-Sophia Antipolis (UNSA) have a choice of 200 specialized research centers and countless opportunities to pursue multimedia projects with local companies.

Serge Miranda, a professor at UNSA, developed a joint program with the

grande école CERAM that offers a master's degree in databases and systems integration, with a multimedia option. Professor Miranda is also the scientific director of ISBA Multimedia Institute, which groups together a number of initiatives in information exchange, industry involvement and distance learning.

ESSI (Ecole Supérieure en Sciences Informatiques) is an engineering school at UNSA specializing in computer science. Its 80 graduates each year may choose to specialize in multimedia or in distributed systems, and all have practical experience through internships with local companies.

ISIA (Institut Supérieur d'Informatique et d'Automatique) is a special engineering branch of the Ecole des Mines de Paris, created jointly with two grande écoles of commerce and engineering: the Ecole Nationale des Ponts et Chaussées and the Ecole Nationale Supérieure des Télécommunications. Students, who must have an engineering diploma to apply, attend classes for one year and serve a one-year internship, with multimedia among the options.

Eurécum is another educational joint venture involving France's Ecole Supérieure Nationale des Télécommunications and the Swiss-based Ecole Polytechnique de Lausanne. Its multimedia communications department trains engineers in all areas of multimedia. Director Claude Gueguen describes the school's mission as "the three I's: international, industry and integration of systems," with the goal of "taking technology off the shelf and making it work for the user."

Theseus Institute, a Sophia Antipolis-based international management school, has a similarly pragmatic bent. "Our graduates learn about the implications of technology for executive management, not for wiring circuits," says director Ahmet Aykac.

The Boston-based World Wide Web Consortium located its European operations in Sophia Antipolis. It is not the same sort of standards-based group as its science park neighbor, the European Telecommunications Standards Institute, but organizations like these and the nearby National Institute for Intellectual Property enhance the area's intellectual infrastructure and enrich its community life.

FOR MORE INFORMATION OR ASSISTANCE

Côte d'Azur Développement (CAD)

Economic Development Agency
10, rue de la Préfecture
B.P. 4147
06303 Nice Cedex 4, France
Tel.: +33 4 92 17 51 51; fax: +33 4 93 80 05 76
E-mail: info@cad.fr

On the Web:

CAD (French and English): www.cad.fr
CAD (Japanese): www.cad-cote-azur.or.jp
CAD business and news: www.cad.fr/english/news.html
Sophia Antipolis: www.saem-sophia-antipolis.fr
University of Nice, Sophia Antipolis: www.unice.fr
Provence-Alpes-Côte d'Azur region: www.crpaca.fr
Telecom Valley: www.telecom-valley.fr
Club Hi-Tech: www.hitech-azur.asso.fr
Club MITSA: www.mitsa.asso.fr
Club EuroSud 155: www.eurosud155.fr/es155
IMEI: www.eurosud155.fr/imei

FAST-MOVING STARTUPS BRING ENERGY AND INNOVATIONS TO THE LOCAL SCENE

Foreign-born or local, newborn or with years of experience, a spate of small, fast-moving companies are contributing to the multimedia explosion on the Côte d'Azur.

One of the relative old-timers is ROM, founded by Dominique Lucchini in 1988. He was living in the area and wanted to develop a CD-ROM-based business here because "I love this region. It is a place beloved of artists and painters." In fact, his earliest projects were CDs about local cultural riches, such as the Foundation Maeght, the village of Vence and the villa of Kerylos. More recently, ROM has moved into Web-site development and has just produced a Web-site spin-off from its CD-ROM about coffee. Mr. Lucchini believes it is "the richest on the Web."

Esprit Concept was created in Sophia Antipolis in 1989, a spin-off from work being done at nearby Aérospatiale. The company specializes in architecture and integration for technical information systems, so it is no surprise that it works closely with the grande école CERAM, which has developed a specialization in database management. "We settled in Sophia Antipolis because the international dimension and the ATM platform interested us," says Director André Labat, adding, "We benefit from close relations with the university."

Another local startup is Vinci Media, founded in 1994 by Thierry Maman. The company produces television programming and handles the multimedia needs of a number of clients in the health-care field. Mr. Maman subsequently moved the company's

headquarters to Paris ("for commercial reasons") but the technical staff and most of his executives remain in Nice.

Only 16 months old, locally founded ECHO first made its name reverberate with a French-based search engine that many consider the best of its kind on the Francophone Web. Michael Bisac, ECHO's commercial director, describes the company's mission as the development of innovative, effective and reliable applications for the Internet and intranets. This mission is facilitated by the company's choice of headquarters at the International Center for Advanced Communications (CICA), an incubator for startups located in Sophia Antipolis.

A newer CICA fledgling, born in 1997, is DUST, which focuses on innovative ways of processing and restoring motion pictures. Their work requires "experienced people with backgrounds in motion pictures, video, data processing and labs," explains Marc Chancelier, vice president of business development. "We found very skilled people presenting this profile" in the region, he says.

Live Picture took a more roundabout route to the French Riviera. The company, which specializes in software for

multimedia images, originated in Toulouse, then moved to Silicon Valley, then decided to set up a European base of operations. "We chose Sophia Antipolis for the airport, the number of multimedia companies here, the educational institutions and the atmosphere," explains Nicolas Romantsoff, Live Picture's director. "Even the bookstores here are well-equipped in our specialty."

Mikko Kiukkunen, director of European sales for Starburst Communications, had been working on the Côte d'Azur for five years when Starburst, which has headquarters in the United States, asked him to set up its European operation in 1997. "I didn't hesitate," he says. "I was already here and knew the advantages: the telecommunications infrastructure, the cosmopolitan work force, the international atmosphere, the airport."

Starburst specializes in electronic information delivery via multicast network solutions. Multicasting enables a server to send information—such as software files, real-time audio and video, and continuous streams of messages such as market data and news feeds—from one source simultaneously to any number of clients.

"CÔTE D'AZUR: WHERE MULTIMEDIA FLOURISHES" was produced in its entirety by the Advertising Department of the International Herald Tribune. It was sponsored by Côte d'Azur Développement. Writer: Claudia Flisi in the South of France. PROGRAM DIRECTOR: Bill Mahler.

...er Than the Speed of ...
...Digital: ...
...Fastest Chip i...
...IN GLOBAL...
...As a multimedia...
...ations are moving...
...and independent...
...deliver locally...
...know that multimedia...
...on deliver either...
...Our strength lies...
...specialisation...
...we promise you work...
...Europe - 33 2 40 2 40 2 40

TribTech

Home Electrical Wires Could Plug In More Net Users

By Ashley Dunn
New York Times Service

The shape of the Internet has been almost entirely defined by a web of wires that were laid long before most people heard of the World Wide Web.

Telephone wire, coaxial cable and, more recently, satellites and wireless have come together to create an image of an electronic cocoon, swaddling the world in a warm wrap of copper, fiber and signal.

What has been strangely left out of the picture of the Internet's structure is another vast web of wires, perhaps the most complete set in existence — the lowly electric lines that carry power to homes.

Electric wires are not an obvious candidate for data transmission. But there is nothing intrinsically wrong with them as data carriers. They are, after all, strands of copper, just like phone lines.

Unfortunately, electrical lines are also unshielded and thus pick up stray noise, such as an antennae from a variety of sources, including television, radio and appliances. It is a problem, but not a fatal one. There is still plenty of spectrum at higher frequencies to carry data.

Late last year, Northern Telecom Ltd. and Norweb Communications Ltd., a division of United Utilities of Britain, unveiled a technology to use this forgotten web of wires to connect consumers to the Internet at transmission rates of over 1 megabit per second.

Norweb has just launched a test by connecting a small group of computers at a school in Manchester, England.

They have stated that the cost to users will be less than standard connections, since the utilities would have to spend far less to deploy the network.

The system, called PowerLine, essentially works as a large local area network. Users install a standard Ethernet card in the computers and connect the card to a small device that converts the data for transmission over the power lines.

The information is routed over the power lines until it reaches a server located at a substation.

The key element of the system is a protocol to screen data from electrical noise on the host power line. Besides the speed of PowerLine, its main advantage is that it is potentially cheaper than any other form of Net access because the infrastructure is already in place.

Unfortunately, there is a serious problem in deploying PowerLine in the United States, which has a somewhat different architecture to its power system. In many parts of Europe, the connection between a home and a substation is a simple low-power line with no other equipment in between. One substation



Children in Britain surfing the Web using the new 'electrical' technology.

could serve hundreds of homes.

But in the United States a different system evolved. Since the earliest days of electrical power, U.S. companies ran high-power, distribution lines into neighborhoods and then routed those into transformers, which stepped down the voltage. The power was then sent into small groups of homes, typically less than a dozen.

The system made good sense considering that when electricity was first being installed much of the country was rural. Since high-voltage lines lose less power over distance, it was much cheaper to use transformers connected to short runs of low-power lines, commonly known as secondary service lines.

These transformers, however, create enormous problems for Norweb's data system. In essence, they wreak havoc on any signal and must be bypassed somehow for the system to work.

Norweb and Norweb have been somewhat sketchy on their plans to deal with this problem, but it seems certain that any solution they come up with will erode some of the cost advantage they had hoped for in the United States.

On a less ambitious scale, a Utah-based company named Intelogis is testing a system that would allow U.S. users to create a local area network using their home wiring as cabling.

The Intelogis PassPort is a small device that plugs into a computer or printer through their parallel ports. The PassPort, which can only be used now

The digital ones and zeros are encoded as slight shifts in the frequency.

With the PassPort, users will be able to play games and share files, printers and even modems with other computers connected to the network.

There is essentially no limit to the number of computers that can be networked, although each new computer will soak up a little bit more of the available bandwidth.

The PassPort system is a lot slower than the maximum 10 megabits per second of standard Ethernet and the 100 megabits per second of Fast Ethernet.

But what you get in exchange is a system that, in theory, is so simple to install even a child could do it. Once the network is set up, you can move your computer by simply plugging the PassPort into the closest wall socket.

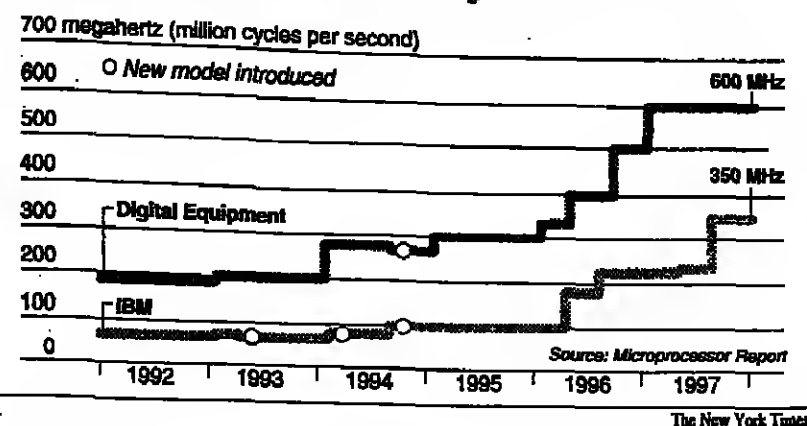
Compare that to the usual crawl-beneath-the-house-and-punch-huge-holes-in-the-wall technique of regular Ethernet installations.

For most home and small office uses, the transmission rate of the PassPort will pose no problem. It is more than enough to transfer a few files, surf the Web, and play computer games.

The PassPort system will cost \$49 for a printer adapter and \$99 for each computer adapter.

Faster Than the Speed of...

IBM and Digital Equipment have been developing ever faster chips pushing toward one gigahertz, or 1,000 megahertz.



Source: Microprocessor Report

The New York Times

IBM vs. Digital: Who Has The Fastest Chip in Town?

By John Markoff
New York Times Service

SAN FRANCISCO — The surging power of the microprocessor is approaching another milestone.

Both International Business Machines Corp. and Digital Equipment Corp. are presenting technical papers this week at a conference here describing experimental chips that operate at more than 1 billion cycles a second — or three times the speed of today's most powerful personal-computer chips.

Though the chips will not be commercially available until after 2000, the race to the so-called gigahertz — or 1,000 megahertz — speed has touched off a battle for bragging rights between the two computer giants, with each claiming the title of developer of the world's fastest general-purpose computing chip.

While the actual announcements will be made in the form of technical papers at the International Solid State Circuits Conference, which began in San Francisco on Wednesday, that did not prevent Digital from issuing a press release Monday that said it was introducing a new family of chips called the Alpha 21264 that will break the gigahertz speed barrier — though not until 2000. That notice, two years before the chips are to be available, caused IBM officials to complain that Digital got its word out after it had learned that IBM had been preparing to announce its prototype version of a partly working version of a 1,000-megahertz chip that is running in a laboratory.

Digital, which agreed last week to be acquired by Compaq Computer Corp., is racing against IBM, the MIPS unit of Silicon Graphics Inc. and Sun Mi-

crosystems Inc. to stay ahead of the increasingly powerful Intel Pentium microprocessor chips, which recently reached speeds of 333 megahertz.

For its part, Intel, at another technical conference last fall, already provided word of the chip that it hopes will be the successor to the Pentium. Designed with researchers at Hewlett-Packard Co., this chip, called the Merced, is also supposed to be faster than 1,000 megahertz.

IBM researchers were to announce that they had achieved a working version of a chip with the core functions of a PowerPC microprocessor operating at 1,000 megahertz. The announcement is particularly striking, specialists said, because the researchers have reached the 1,000-megahertz mark with consumption of power that matches that of today's conventional microprocessors.

By contrast, other high-speed microprocessors, such as Digital's Alpha, draw more power and consequently run much hotter, making it potentially less practical for consumer applications. The new IBM chip, which was nicknamed GUTS by the team of 15 IBM engineers that designed it at an IBM research laboratory in Austin, Texas, draws only 6.3 watts of power, far less than the Alpha chip.

IBM's design feat was achieved by the careful placement of individual transistors on the chip, thereby painstakingly reducing the length of the wires that connect the transistors. Longer connections between components on a chip tend to slow execution speeds and generate excess heat. "There are no cooling tricks in our microprocessor," said Randy Isaac, an IBM vice president for systems technology and science. "This runs at standard room temperature."

TECHNOLOGY INDEX

A glance at technology stock indexes around the world

	Tuesday close	% change previous week	% change year to date
North America			
Pacific Stock Exchange Technology	313.40	+4.90	+7.86
Standard & Poor's Technology Composite	780.84	+1.18	+11.56
Europe			
Morgan Stanley Eurotec	436.54	+4.26	+13.33
Asia			
Topix Electric	1793.33	+2.19	+9.07

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.ihl.com>. Articles include:

- AirTouch Tries Again to Buy a US West Unit, Jan. 30
- Ericsson Says Profit Survived Asia Crisis, Jan. 30
- Europeans Adopt Mobile-Phone Standard, Jan. 30
- Canon Sales Buys Right to Sell Compaq PCs, Jan. 31
- Chrysler Revs Up for On-Line Boom, Feb. 2
- 'Girlish' Computer Games Growing Up, Feb. 3
- Apple Phasing Out Sales at 5 Chains, Leaving CompUSA as National Retailer, Feb. 3
- Gates Says Antitrust Suit Won't Affect the Way Microsoft Conducts Business, Feb. 3
- Microsoft Wins Legal Skirmish, Feb. 4
- Mitsubishi Warns of Big Loss Over Chips, Feb. 4

To reach TribTech editors or to comment on IHT technology coverage, send e-mail to tribtech@ihl.com.

International Herald Tribune



IN GLOBAL COMMUNICATIONS ONE SUPPLIER IS BETTER THAN MANY.

As a multinational business, your global communications are mission critical. Only a truly international and independent single source provider can reliably deliver totally seamless solutions. You may already know that multi-vendor and alliance solutions do not deliver either quickly, effectively or globally. Our strength lies in our independence and specialization. For you, this means we deliver what we promise. You work with one network, one team

and one common set of technologies, your best guarantee of reliability and quality.

Integrated Communications

We specialize in advanced communications for international business, providing integrated data, fax and voice services delivered through our own global network. Successful international clients such as Nestlé, Allergan, Henkel and thousands of others recognise Infonet as a stable and innovative supplier.

As do the many national telecom operators and global 1000 businesses whom we provide with international network services.

Global Intranets

In addition to being the leading provider of high speed global intranets, Infonet implements and supports leading workgroup applications, such as Microsoft Exchange™ and Lotus Notes™, in addition to other corporate intranet services. We support all

this directly from our local offices in 57 countries, with connections in over 180.

For 27 years we have been developing global communications solutions that really make a difference in everyday business. To find out more about the benefits Infonet can deliver - today and tomorrow - contact us as below.

infonet

MORE THAN A CONNECTION

Europe + 32 2 627 39 11 Asia Pacific + 65 734 1739 North America + 1 310 335 2600 Latin America + 56 2 368 9400 www.infonet.com

Seoul Shields Chaebol From Hostile Bidders

New Rules Ease Way for Some Foreign Offers

By Don Kirk
International Herald Tribune

SEOUL — Economic policymakers announced a plan Wednesday that would permit foreign companies to take over South Korean companies through hostile mergers and acquisitions, in a move to change the country's historically isolationist economic outlook.

But the new rules also would impose changes that could make it difficult, if not impossible, to conduct a hostile takeover of prime properties owned by the country's huge conglomerates. The plan thus appeared to reflect the ambivalence here toward the extensive reforms demanded by the International Monetary Fund in its \$60 billion bailout package.

The emergency economic committee did away with a regulation forbidding companies in the 30 largest conglomerates, or *chaebol*, from investing more than 25 percent of their equity in other concerns within the same *chaebol*.

"The limit on cross-ownership was abolished in exchange for allowing hostile M&As," said Bae Je Dong, executive director of the international business division of the Federation of Korean Industries, an organization of *chaebol* owners. "They need to defend their rights."

Separately, an aide to President Kim Young Sam said Mr. Kim had offered to take full responsibility for South Korea's economic debacle, Agence France-Presse reported.

"I am wholly responsible for the foreign currency crisis," the beleaguered president said through his top aide.

The aide quoted the president, who will step down Feb. 25, as saying that economic officials had not seen the danger of South Korea falling into a crisis.

The new rules permit a foreign investor to increase a stake to 33 percent from 10 percent in any South Korean company without the approval of the management of the company, and without obtaining permission from the Ministry of Finance in the case of South Korean companies with assets of more

than 2 trillion won (\$1.3 billion).

The National Assembly is expected to enact the new rules into law, which would go into effect after the inauguration of President-elect Kim Dae Jung, who approved the recommendation Wednesday. The committee is reviewing a wide range of economic measures intended to help bring South Korea from the brink of bankruptcy.

The plan for hostile M&As is designed to show there's cooperation with

South Korean companies try to keep the "sharks" away. Page 19.

the spirit of the IMF reform package," Hank Morris, a financial consultant, said. "It will be more difficult than people might realize to take over a Korean company."

For the country's top 30 *chaebol*, the change in the rule against what is called "cross-ownership" of more than 25 percent of equity means they will only have to get rid of the losers they do not want but can still cling to top-heavy prestige companies that may be wallowing in debt.

"This will make hostile M&As difficult," said Kim Min Sok, a close political ally of Kim Dae Jung and a member of the National Congress for New Politics.

The 25 percent rule went through the National Assembly several years ago to try to curb the growing size of the *chaebol*. Ending the rule relieves the *chaebol* chiefs of some of their worst fears that foreign interests, armed with the new regulations, would immediately try to take over some of the country's largest industries, including motor vehicles and electronics.

Sources at both Hyundai Corp. and Samsung Co., the country's two largest *chaebol*, said they would begin buying more shares in some of their largest companies to protect themselves against a hostile acquisition.

"There will be no hostile takeover at Hyundai," a Hyundai source said.

See KOREA, Page 19

Tokyo Knew Yamaichi Was in Trouble in 1991

Brokerage Told Ministry It Hid Client Losses

Compiled by Our Staff From Dispatches

TOKYO — The Finance Ministry knew of losses incurred by Yamaichi Securities Co. in dubious trades six years before its collapse, a former official acknowledged Wednesday.

Nobuhiko Matsuno, former head of the ministry's securities bureau, said he received reports from Yamaichi Securities in 1991 and 1992 about so-called *tobashi* trades, which involve helping favored clients avoid reporting losses. *Tobashi* trades were outlawed in 1992.

He said Yamaichi's move to hide these losses by shifting them to overseas subsidiaries and off-the-books accounts was "extremely regrettable" and that he felt some responsibility as an official overseeing the securities industry.

But Mr. Matsuno denied an allegation that the ministry had advised the brokerage to keep the 260 billion yen (\$2.06 billion) debt off its books. "I never suggested or advised the brokerage to conceal the debt off the books," he said.

His unsworn testimony to a parliamentary finance committee appeared to conflict with earlier statements from the Finance Ministry that it had no knowledge of the hidden losses until the last moment.

The revelation of the 260 billion yen in concealed debts triggered the collapse in November last year of Yamaichi Securities, Japan's fourth largest brokerage.

A newspaper report last week said the former Yamaichi president, Atsuo Miki, had told Mr. Matsuno of large *tobashi* losses twice, in December 1991 and January 1992, when he was vice president of the brokerage. The Nihon Keizai Shimbun report said Mr. Matsuno had told the former Yamaichi director to hide them off the books.

The former finance minister Hiroshi Mitsuzuka denied Nov. 24 that the Finance Ministry bore any responsibility for the failure to detect the hidden losses at Yamaichi. "Yamaichi notified us

about the off-the-book debts only on Nov. 17 through the Securities and Exchange Surveillance Commission and the securities bureau of the Finance Ministry," Mr. Mitsuzuka said.

At the time, the Bank of Japan said the "direct cause of the management troubles at Yamaichi Securities is the revelation of the large amount of off-the-book liabilities."

Paul Heaton, economist at Deutsche Morgan Grenfell, said *tobashi* deals were not illegal at the time of the cited Yamaichi discussions with the Finance Ministry in the early 1990s.

The incident demonstrated the need for the ministry to act as a regulator, not as an adviser, Mr. Heaton said. "Those matters should not have been discussed, they should be investigated," he added. "Had prompt action been taken in 1991-92, Yamaichi would not have failed."

Yamaichi, whose failure was the largest in Japan since World War II, is winding down its operations after the collapse, which involved debts officially estimated at about \$29 billion.

The Yamaichi group had laid off 2,000 employees as of Friday in its first batch of dismissals. The group is expected to lay off a total of 10,000 workers, including 7,500 at the failed brokerage.

The larger scandal, the most far-reaching of a number of recent cases implicating Japan's corporate and bureaucratic elites, has resulted in the arrest of two Finance Ministry bureaucrats and resignation of the ministry's two top-ranked officials. The government is now considering new ethics laws for public servants.

In another high-profile scandal, authorities on Wednesday decided to punish 11 National Police Agency officials in connection with the arrest last month of a former police detective on charges of accepting bribes from Daiwa Securities Co., the Asahi newspaper said. (AFP, AP, Bloomberg)



As Kellogg heats up India's marketplace for cereals, a local maker of corn flakes tries out a new image, left, to replace its traditional packaging.

Foreign Rivals Spur India's Homegrown Firms

By Miriam Jordan
Special to the Herald Tribune

GHAZIABAD, India — The Indian cornflakes maker Mohan Meakin says it has something to thank Kellogg Co. for: a wake-up call that has helped it win more business.

Since the U.S.-based breakfast-cereal giant launched its cornflakes in India four years ago, sales of Mohan Meakin's Mohun's Corn Flakes have doubled.

"The boom came with Kellogg," Vinay Mohan, executive director, said. But it came only after the 143-year-old family-run company realized it had to act fast in a changing marketplace. That meant improving the product and its marketing, as well as redesigning its packaging.

"I realized I had a brand to defend," Mr. Mohan said, proudly displaying the new Mohan's Corn Flakes box, which resembles Kellogg's. "I didn't want my cornflakes to be washed away."

Rather than buckling under the onslaught of foreign products in newly opened India, many local entrepreneurs are rising to the occasion. Instead of dealing a death knell to less sophisticated homegrown brands, Kellogg, McDonald's and Reebok are often invigorating them.

"Many Indian companies are im-

proving the quality of their output or modernizing their manufacturing," said Arvind Singhal, managing director of KSA Technopak, a local retailing consultancy. "Not only will they survive, they will have an even better chance of succeeding, thanks to the arrival of foreign players."

Sales at Nirula's, a fast-food chain in northern India that serves Western and Indian fare, soared 20 percent in 1996, the year that McDonald's, Pizza Hut and Domino's Pizza entered India. Meanwhile, local appliance makers such as BPL and Godrej are expanding their customer-service operations to compete with the likes of Samsung and Sony.

The competition from strong local brands illustrates a key difference between India and China, where multinational brands had a more open field when they arrived in the early 1980s. In India, private-sector brands, often inspired by the West, have built up consumer loyalty over decades. But since economic deregulation began in 1991, Indian brands have had to adjust as much as their new foreign rivals.

As Neeraj Wable, senior vice president of the India Market Research Bureau, a unit of the global ad agency J.

Walter Thompson, puts it: "Indian players are pulling up their socks. The consumer is benefiting."

Consider Liberty Shoes. The 40-year-old company, which caters mainly to middle-class Indians, has been making sports shoes since 1983. But it was not until newcomer Reebok decided in 1994 to launch a shoe for cricket, the most popular sport in India, that Liberty added a cricket shoe to its stable.

Liberty's leather cricket shoe sells for \$22, or roughly a third the price of Reebok's. "We wanted to show the consumer that we can offer a comparable product at a price that's affordable," said Adarsh Gupta, executive director of Liberty. "In India, Reebok and Nike are the Mercedes-Benz of sports shoes."

Even in 15 years, the number of people able to buy one will be very small. With the country's per-capita income at \$350 a year, the vast majority of India's 950 million people cannot afford to splash out for a pair of Reebok's. Even at \$8, the average Liberty sneakers are out of reach of most Indians.

Reebok concedes that its target market in India is just 30 million people. "We don't aspire to be all things to all people," said Muktesh Pant, managing director of Reebok India.

Mr. Pant said Indian companies, including Liberty, had begun investing in high-tech materials to make lighter and more comfortable sports shoes since the arrival of foreign competition.

It is still early, however, to draw conclusions about the fate of local brands in India's new marketplace. Used to operating in a protected environment, many Indian businessmen have lobbied intensely against opening India to foreign competitors.

Even Indian companies that are growing, such as Mohan Meakin, have lost market share to multinationals. Kellogg has now surpassed Mohan Meakin to become the top cornflakes seller in major Indian cities, accounting for about 35 percent of the market, according to ORG-MARG, a market-research firm.

But Mr. Mohan still says: "Kellogg created a lot of awareness about cornflakes. Suddenly, the market started expanding."

Kellogg rejects any comparisons with Mohan Meakin and says its rival made only cosmetic changes. "We spend millions of dollars on research," said Denis Avronsart, managing director of Kellogg India.

The Indian entrepreneur has taken the consumer for granted too long," he said. "I suggest you wait two years, and you will see who is who."

Germans Laud Italian Policy on Eve of Ciampi's Visit

By John Schmid
International Herald Tribune

FRANKFURT — On the eve of a visit to Germany by Treasury Minister Carlo Azeglio Ciampi to promote Rome's bid to join the 1999 start of Europe's single currency, two senior German officials on Wednesday lauded Italy's sacrifices to prepare for the euro.

"I am impressed with the progress that Italy has made," Finance Minister Theo Waigel said ahead of his meeting Thursday in Bonn with Mr. Ciampi.

The praise should help smooth relations with Italy, where Mr. Waigel triggered anger two days earlier when he asserted that "open questions" remain over the sustainability of Italy's economic achievements, which are meant to control the deficits and prepare the nation to join monetary union at the outset.

Even more encouraging for Italy's hopes were the conspicuously supportive pronouncements by Karl Lamers, a close adviser to Chancellor Helmut Kohl on European issues who serves as foreign policy spokesman in Parliament

for Mr. Kohl's Christian Democrats.

In a lengthy statement released by his office, Mr. Lamers said German opposition to Italy's entry was diminishing.

"In Germany," he said, "such views have receded markedly."

Because Italian inclusion in the project ranks as one of Germany's most politically sensitive issues, neither Mr. Kohl nor Mr. Waigel have spoken freely about Italy's chances of acceptance when the European Union nominates the founding euro nations in May.

For that reason, Mr. Lamers is widely viewed as the man who can articulate in public the things that others cannot. As a member of Mr. Kohl's inner circle, he is seen in financial markets as the unofficial government spokesman on Italian-German relations, said Alison Cottrell, senior analyst at PaineWebber Inc. in London.

"He is the personification of Kohl's European policy," she said, adding that Mr. Lamers' pro-Italian comments had solidified the view among investors that Italy will be in the first wave.

Germans are expected to welcome Mr. Ciampi warmly, Mr. Lamers said,

and express their "astonishment" at Italy's successes in meeting the economic benchmarks for monetary union.

"His visit could be of fundamental importance for Germany's stance toward Italy's participation in the currency union," Mr. Lamers said.

Italy should succeed in reducing its outstanding debt, which is twice as high as the EU recommends, Mr. Lamers said. "In, with and through the currency union, Italy can and will manage to continue its budget consolidation and the necessary reforms," he said.

With only three months before the decision on monetary union, Mr. Ciampi will take his case directly to the most senior officials in Germany, one of the EU's most euro-skeptical nations.

In addition to Mr. Waigel, he will meet with members of Parliament on Thursday and then give a speech to the Chamber of Industry and Trade. On Friday, he travels to Frankfurt for separate talks with Hans Tietmeyer, president of the German central bank, and Wim Duisenberg, president of the European Monetary Institute. He will also

meet with officials of Deutsche Bank AG, the biggest bank in Germany.

"Ciampi will state his case forcefully," said Holger Schmieding of Merrill Lynch & Co. in Frankfurt, "but Germany officially will not acknowledge that Italy has made it. That will come much later."

It is politically impossible, he said, for Bonn to embrace Italy's bid until April, when the EU, the European Monetary Institute and the Bundesbank each publish their so-called convergence reports, which appraise progress by EU member nations toward meeting the economic criteria for the project.

Mr. Ciampi's visit comes after Italy has stepped up its campaign to be at the heart of Europe. Rome released a 35-page document last month insisting that its reforms are sustainable and that a culture of stability had taken root.

The Italian's public relations drive coincides with a changed political climate in Germany. The most strident opponents of the euro have muted their criticisms in recent months after it became evident that the German public widely expects the project to move forward.

German acceptance of the euro took another step forward Wednesday after Mr. Waigel was able to announce that he believed that Germany managed to keep its deficit last year at 3.0 percent of gross national product or lower, the most critical criterion for monetary union.

Mr. Kohl vowed Wednesday to avoid any monetary union unless the currency was as stable as the Deutsche mark.

CURRENCY & INTEREST RATES

Cross Rates									
	\$	£	DM	FF	Yen	Sc	Swk	HK	Ind
American	1.00	0.63	1.93	166.63	106.48	6.56	166.63	166.63	166.63
British	1.56	1.00	3.00	253.36	166.63	106.48	166.63	166.63	166.63
French	6.56	3.00	1.00	166.63	106.48	6.56	166.63	166.63	166.63
German	0.51	0.33	0.33	1.00	6.56	0.51	166.63	166.63	166.63
Japanese	0.0094	0.0057	0.0034	0.015	1.00	0.0094	166.63	166.63	166.63
Swiss	0.75	0.46	1.48	125.00	7.50	0.75	1.00	166.63	166.63
HK dollar	7.76	4.76	15.06	1250.00	77.66	7.76	150.00	1.00	166.63
Indian Rupee	47.54	28.36	91.25	7475.00	305.45	47.54	912.50	166.63	1.00
Italian Lira	2036.27	1254.00	4033.00	336,000.00	1336.27	2036.27	4033.00	166.63	166.63
Spanish Ptas	166.63	100.00	166.63	166.63	166.63	166.63	166.63	1.00	166.63
South African Rand	13.76	8.33	27.06	2250.00	137.60	13.76	270.60	166.63	166.63
Thai Baht	47.54	28.36	91.25	7475.00	305.45	47.54	912.50	166.63	166.63
US Dollar	1.00	0.63	1.93	166.63	106.48	6.56	166.63	166.63	166.63
Yen	106.48	65.60	33.06	2736.19	1.00	106.48	166.63	166.63	166.63
Yen (100)	1.0648	0.6560	0.3306	273.619	0.0100	1.0648	16.663	16.663	16.663
Yen (1000)	0.10648	0.06560	0.03306	27.3619	0.00100	0.10648	1.6663	1.6663	1.6663
Yen (10000)	0.010648	0.006560	0.003306	2.73619	0.000100	0.010648	0.16663	0.16663	0.16663
Yen (100000)	0.0010648	0.0006560	0.0003306	0.273619	0.0000100	0.0010648	0.016663	0.016663	0.016663
Yen (1000000)	0.00010648	0.00006560	0.00003306	0.0273619	0.00000100	0.00010648	0.0016663	0.0016663	0.0016663
Yen (10000000)	0.000010648	0.000006560	0.000003306	0.00273619	0.000000100	0.000010648	0.00016663	0.00016663	0.00016663
Yen (100000000)	0.0000010648	0.0000006560	0.0000003306	0.000273619	0.0000000100	0.0000010648	0.000016663	0.000016663	0.000016663
Yen (1000000000)	0.00000010648	0.00000006560	0.00000003306	0.0000273619	0.00000000100	0.00000010648	0.0000016663	0.0000016663	0.0000016663
Yen (10000000000)	0.000000010648	0.000000006560	0.000000003306	0.00000273619	0.000000000100	0.000000010648	0.00000016663	0.00000016663	0.00000016663
Yen (100000000000)	0.0000000010648	0.0000000006560	0.0000000003306	0.000000273619	0.0000000000100	0.0000000010648	0.000000016663	0.000000016663	0.000000016663
Yen (1000000000000)	0.00000000010648	0.00000000006560	0.00000000003306	0.0000000273619	0.00000000000100	0.00000000010648	0.0000000016663	0.0000000016663	0.0000000016663
Yen (10000000000000)	0.000000000010648	0.000000000006560	0.000000000003306	0.00000000273619	0.000000000000100	0.000000000010648	0.00000000016663	0.00000000016663	0.00000000016663
Yen (100000000000000)	0.0000000000010648	0.0000000000006560	0.0000000000003306	0.000000000273619	0.0000000000000100	0.0000000000010648	0.000000000016663	0.000000000016663	0.000000000016663
Yen (1000000000000000)	0.00000000000010648	0.00000000000006560	0.00000000000003306	0.0000000000273619	0.00000000000000100	0.00000000000010648	0.0000000000016663	0.0000000000016663	0.0000000000016663
Yen (10000000000000000)	0.000000000000010648	0.000000000000006560	0.000000000000003306	0.000000000000273619	0.000000000000000100	0.000000000000010648	0.00000000000016663	0.00000000000016663	0.00000000000016663
Yen (100000000000000000)	0.0000000000000010648	0.0000000000000006560	0.0000000000000003306	0.0000000000000273619	0.0000000000000000100	0.0000000000000010648	0.000000000000016663	0.000000000000016663	0.000000000000016663
Yen (1000000000000000000)	0.00000000000000010648	0.00000000000000006560	0.00000000000000003306	0.00000000000000273619	0.00000000000000000100	0.00000000000000010648	0.0000000000000016663	0.0000000000000016663	0.0000000000000016663
Yen (10000000000000000000)	0.000000000000000010648	0.000000000000000006560	0.000000000000000003306	0.000000000000000273619	0.000000000000000000100	0.000000000000000010648	0.00000000000000016663	0.00000000000000016663	0.00000000000000016663
Yen (100000000000000000000)	0.0000000000000000010648	0.0000000000000000006560	0.0000000000000000003306	0.0000000000000000273619	0.0000000000000000000100	0.0000000000000000010648	0.000000000000000016663	0.000000000000000016663	0.000000000000000016663
Yen (1000000000000000000000)	0.00000000000000000010648	0.00000000000000000006560	0.00000000000000000003306	0.00000000000000000273619	0.00000000000000000000100	0.00000000000000000010648	0.0000000000000000016663	0.0000000000000000016663	0.0000000000000000016663
Yen (10000000000000000000000)	0.000000000000000000010648	0.000000000000000000006560	0.000000000000000000003306	0.000000000000000000273619	0.000000000000000000000100	0.000000000000000000010648	0.00000000000000000016663	0.00000000000000000016663	0.00000000000000000016663
Yen (100000000000000000000000)	0.0000000000000000000010648	0.0000000000000000000006560	0.0000000000000000000003306	0.0000000000000000000273619	0.0000000000000000000000100	0.0000000000000000000010648	0.000000000000000000016663	0.000000000000000000016663	0.000000000000000000016663
Yen (1000000000000000000000000)	0.00000000000000000000010648	0.00000000000000000000006560	0.00000000000000000000003306	0.000000000000000000000273619	0.00000000000000000000000100	0.00000000000000000000010648	0.0000000000000000000016663	0.0000000000000000000016663	0.0000000000000000000016663
Yen (10000000000000000000000000)	0.000000000000000000000010648	0.000000000000000000000006560	0.000000000000000000000003306	0.0000000000000000000000273619	0.000000000000000000000000100	0.000000000000000000000010648	0.00000000000000000000016663	0.00000000000000000000016663	0.00000000000000000000016663
Yen (100000000000000000000000000)	0.0000000000000000000000010648	0.0000000000000000000000006560	0.0000000000000000000000003306	0.00000000000000000000000273619	0.0000000000000000000000000100	0.0000000000000000000000010648	0.000000000000000000000016663	0.000000000000000000000016663	0.000000000000000000000016663
Yen (1000000000000000000000000000)	0.00000000000000000000000010648	0.00000000000000000000000006560	0.00000000000000000000000003306	0.000000000000000000000000273619	0.00000000000000000000000000100	0.00000000000000000000000010648	0.0000000000000000000000016663	0.0000000000000000000000016663	0.0000000000000000000000016663
Yen (10000000000000000000000000000)	0.000000000000000000000000010648	0.000000000000000000000000006560	0.000000000000000000000000003306	0.0000000000000000000000000273619	0.000000000000000000000000000100	0.000000000000000000000000010648	0.00000000000000000000000016663	0.00000000000000000000000016663	0.00000000000000000000000016663
Yen (100000000000000000000000000000)	0.0000000000000000000000000010648	0.0000000000000000000000000006560	0.0000000000000000000000000003306	0.00000000000000000000000000273619	0.0000000000000000000000000000100	0.0000000000000000000000000010648	0.000000000000000000000000016663	0.000000000000000000000000016663	0.000000000000000000000000016663
Yen (1000000000000000000000000000000)	0.00000000000000000000000000010648	0.00000000000000000000000000006560	0.00000000000000000000000000003306	0.0000000000000000000000000000273619	0.00000000000000000000000000000100	0.00000000000000000000000000010648	0.0000000000000000000000000016663	0.0000000000000000000000000016663	0.0000000000000000000000000016663
Yen (10000000000000000000000000000000)	0.000000000000000000000000000010648	0.000000000000000000000000000006560	0.000000000000000000000000000003306	0.00000000000000000000000000000273619	0.000000000000000000000000000000100	0.000000000000000000000000000010648	0.00000000000000000000000000016663	0.00000000000000000000000000016663	0.00000000000000000000000000016663
Yen (100000000000000000000000000000000)	0.0000000000000000000000000000010648	0.0000000000000000000000000000006560	0.0000000000000000000000000000003306	0.000000000000000000000000000000273619	0.0000000000000000000000000000000100	0.0000000000000000000000000000010648	0.000000000000000000000000000016663	0.000000000000000000000000000016663	0.000000000000000000000000000016663
Yen (1000000000000000000000000000000000)	0.00000000000000000000000000000010648	0.00000000000000000000000000000006560	0.00000000000000000000000000000003306	0.0000000000000000000000000000000273619	0.00000000000000000000000000000000100	0.00000000000000000000000000000010648	0.0000000000000000000000000000016663	0.0000000000000000000000000000016663	0.0000000000000000000000000000016663
Yen (10000000000000000000000000000000000)	0.000000000000000000000000000000010648	0.000000000000000000000000000000006560	0.000000000000000000000000000000003306	0.00000000000000000000000000000000273619	0.000000000000000000000000000000000100	0.000000000000000000000000000000010648	0.000000000000000000000000000000016663	0.000000000000000000000000000000016663	0.000000000000000000000000000000016663
Yen (100000000000000000000000000000000000)	0.0000000000000000000000000000000010648	0.0000000000000000000000000000000006560	0.0000000000000000000000000000000003306	0.000000000000000000000000000000000273619	0.0000000000000000000000000000000000100	0.0000000000000000000000000000000010648	0.0000000000000000000000000000000016663	0.0000000000000000000000000000000016663	0.0000000000000000000000000000000016663
Yen (1000000000000000000000000000000000000)	0.00000000000000000000000000000000010648	0.00000000000000000000000000000000006560	0.00000000000000000000000000000000003306	0.0000000000000000000000000000000000273619	0.00000000000000000000000000000000000100	0.00000000000000000000000000000000010648	0.00000000000000000000000000000000016663	0.00000000000000000000000000000000016663	0.00000000000000000000000000000000016663
Yen (10000000000000000000000000000000000000)	0.000000000000000000000000000000000010648	0.000000000000000000000000000000000006560	0.000000000000000000000000000000000003306	0.00000000000000000000000000000000000273619	0.000000000000000000000000000000000000100	0.000000000000000000000000000000000010648	0.000000000000000000000000000000000016663	0.000000000000000000000000000000000016663	0.000000000000000000000000000000000016663
Yen (100000000000000000000000000000000000000)	0.0000000000000000000000000000000000010648	0.0000000000000000000000000000000000006560	0.0000000000000000000000000000000000003306	0.000000000000000000000000000000000000273619	0.0000000000000000000000000000000000000100	0.0000000000000000000000000000000000010648	0.0000000000000000000000000000000000016663	0.0000000000000000000000000000000000016663	0.0000000000000000000000000000000000016663
Yen (10000000000000000000000000000000									

EUROPE



THOSE IN FAVOR — Marcel Ospel, chief of Swiss Bank Corp., speaking before the vote Wednesday in which SBC shareholders approved merging with Union Bank of Switzerland.

Reuters Says U.S. Inquiry On Hacking Could Widen

The Associated Press
LONDON — Reuters Holdings PLC, the news and information provider under the spotlight in a U.S. grand jury investigation, said Wednesday that it knew of no attempts to break into the central computer of a rival, Bloomberg LP.

Reuters's share price has slid since it announced last week that investigators were trying to determine whether a U.S. subsidiary had used information stolen from Bloomberg.

Reuters acknowledged Wednesday that the inquiry could spread elsewhere in the parent company.

Reuters said that if it found "any proprietary information belonging to Bloomberg" in its products, it would "take remedial action." But it said it did not believe it would have to withdraw any of its financial-information products.

The U.S. subsidiary, Reuters Analytics Inc. of Stamford, Connecticut, provides "specialized information on fixed-income investments such as government bonds," Reuters said Wednesday that it had been advised that the federal grand jury investigation in New York also concerned some stock market data.

The London-based parent company said Wednesday that the criminal investigation also had targeted several employees of Reuters Analytics.

Reuters said it believed the focus of the investigation to be the relationship between Reuters Analytics and a New York-based consultancy and Bloomberg subscriber. Investigators are trying to determine whether Reuters "improperly induced" the consulting firm to wrongfully provide Bloomberg information.

The New York Times has reported that prosecutors say the consulting firm, Cyberspace Research Associates Inc., was trying to help Reuters Analytics gain information about the computer code that lets Bloomberg run its financial software.

Cyberspace reportedly is run by a former Bloomberg employee. The Reuters statement did not identify Cyberspace as the consultant in question.

In London, Reuters shares rallied on unconfirmed rumors that a settlement was being discussed. After Reuters released its statement on the investigation, the stock finished 23 pence higher at \$45 (\$8.95).

Nestle to Buy Dalgety's Pet-Food Business

Bloomberg News
LONDON — Dalgety PLC agreed Wednesday to sell its Spillers pet-food manufacturing business to Nestle SA in a surprise move that analysts said could indicate the breakup of the British food manufacturer.

The £715 million (\$1.17 billion) sale came even though Dalgety said five months ago it would make pet foods the focus of its attempts to recover from the effects of Britain's "mad cow" disease crisis on its profits.

Dalgety's shares rose 49.5 pence, or 17 percent, to 343, lifted by its promise to return £650 million from the Nestle deal and other asset sales to shareholders.

Dalgety also said it had agreed to sell Martin-Brower, which supplies hamburgers to McDonald's Corp. in the United States, to the closely held U.S. food processing company Reyes Holdings for £120 million.

Last month, Dalgety sold its food-ingredients business to Kerry Group of Ireland for £335 million. After those sales, Dalgety will have an agricultural-feed business

and its Pig Improvement Co., which supplies genetically improved breeding stock to pig producers.

Dalgety has struggled under the twin burdens of the expensive 1995 acquisition of Quaker Oats Co.'s pet-food business and the effects of a worldwide ban on British beef products after an outbreak in 1996 of bovine spongiform encephalopathy, a brain disease in cattle that has been linked to several human deaths in Britain. The company posted a loss of £89.3 million for the year ended June 30.

Nestle sells Friskies cat food in Europe and owns the American pet-food maker Alpo. Pet food has

part of Nestle's prepared-foods unit, which had sales in 1996 of 15.96 billion Swiss francs (\$10.85 billion).

Shares in Nestle rose 3 Swiss francs to 2,398.

"From a strategic point of view, this acquisition makes sense for Nestle," said Michael Kamm, an analyst at Union Bancaire Privée Asset Management in Zurich. "Pet foods is a growing market in which the company already has a strong position."

Dalgety's pet-foods business, whose brands include Felix, Winalot, Choosy and Fido, had operating profit of £26.4 million in the year that ended last June.

Fauchon, Paris Landmark, to Be Sold

Reuters
PARIS — Fauchon, the Paris gourmet landmark, is to be sold to an investor group led by the French investment bank Societe Waldo, the luxury food shop said Wednesday.

Fauchon, founded in 1886,

said its owner, Martine Premat, had agreed to sell on condition the investor group meets certain unspecified conditions within the next three months.

Societe Waldo is headed by Laurence Adamowicz. The other investors were not disclosed.

OECD Talks Urge State to Help Business

By Carl Gewirtz
International Herald Tribune

PARIS — A pathbreaking meeting of government officials and business executives at the Organization for Economic Cooperation and Development agreed Wednesday that government's role should be to create environments in which business can flourish rather than to try to tell business what it should do.

The meeting was the first-ever international gathering of industrial ministers and the first OECD meeting to invite executives to participate and provide their input to the formulation of policy.

Speaking positively of the result, John Bullock, a Canadian executive, said, "At least the politicians are now all singing from the same hymnal."

That was the emphasis put on the result by the meeting's chairman, Margaret Beckett, president of the Board of Trade in Britain.

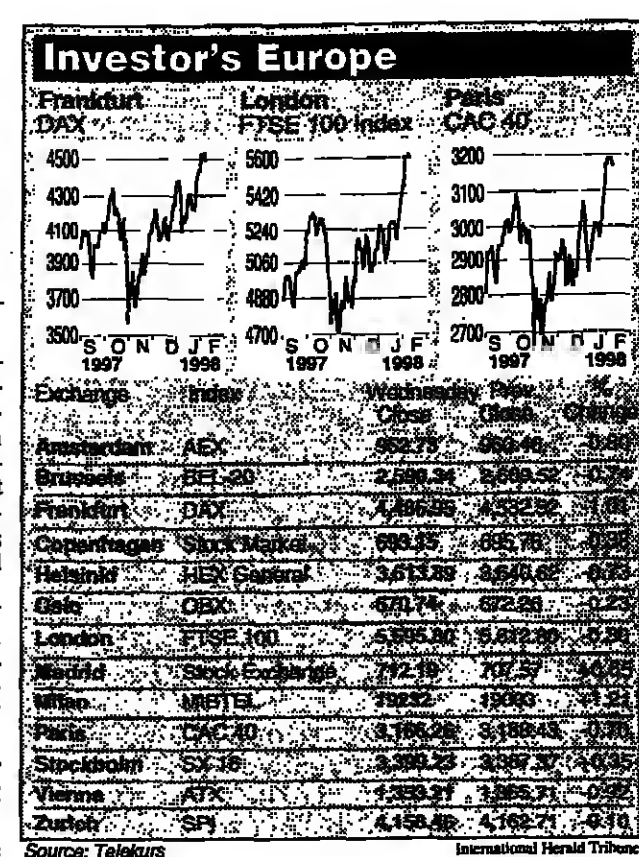
Acknowledging that not all 29 organization member countries hold identical views on the role of government in business, Ms. Beckett said: "There are differing degrees of opinion. But what is extraordinary is that everyone agrees about the direction policy has to take."

One of the concrete results of the meeting was a mandate for the organization to expand its comparative evaluation of government policies aimed at supporting industry so that benchmarks of best practices could be established.

"Seeking the input of businessmen is a major change," David Aaron, the U.S. undersecretary of commerce, said in an interview. "It does make a difference having real businessmen talking about business."

He said the meeting showed "strong support for private-sector, market-driven solutions to problems — that's a big change," and one that is "likely to lead to a lighter hand" of regulation.

The thrust of the meeting was twofold: that small and midsize companies are the major creators of jobs and that the industrial paradigm is changing from a focus on physical production and output to a knowledge-based economy where intangibles such as quality and service are of growing importance.



Very briefly:

- The European Commission called for global rules governing data protection, on-line advertising, consumer protection and other aspects of Internet commerce. The commission also said it wanted to draw up an international charter to regulate the Internet marketplace, which it estimates will be worth about \$200 billion by 2000.
- Ernst & Young and KPMG Peat Marwick expect their proposed merger to be given a full four-month review by the European Commission but expressed confidence it would be given the green light.
- Britain unveiled plans to measure its performance on environmental issues as carefully as it monitors the state of the economy, through a series of environmental indexes.
- Scottish & Newcastle PLC, a British brewer and pub company, will restructure its pub division to improve profitability. The operator of the Rat & Parrot pub chain said it planned to add 300 pubs over the next three years to the 1,900 it already manages.
- Renault's unit sales in its commercial-vehicle division rose 12 percent, to 72,280, in 1997, helped by a strong performance by its Mack Trucks business in North America.
- Saab Automobile AB, a Swedish luxury carmaker, said its 1997 net loss widened to 1.91 billion kronor (\$236.5 million) from 1.24 billion kronor in 1996 as costs of product development and marketing continued to rise.
- Adam Opel AG said rumors that David Herman, its chief, was planning to leave Opel to join Chrysler Corp. as head of European operations were unfounded.
- Dresdner Bank AG took full control of its Spanish subsidiary Kleiowort Beoson Iberfomento in preparation for the European single currency.
- Deutsche Telekom AG expects its Global One alliance with France Telecom SA and Sprint Corp. to break even by 2000.

WORLD STOCK MARKETS

Wednesday, Feb. 4
Prices in local currencies.

High Low Close Prev.

Amsterdam

Amst-AMRO 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

High Low Close Prev.

Amsterdam

Amst-AMRO 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

High Low Close Prev.

Amsterdam

Amst-AMRO 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Amst-ABN 42.30 41.20 41.20 42.30

Am

Wednesday's 4 P M

Wednesday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

High	Low	Stock	Chg	Yr	PE	100	High	Low	Label	Grp
A-B-C										
34	33 1/2	ABC Supply Co.	1/2	10	15	100	34	33 1/2	ABC Supply Co.	Grp
33 1/2	33	ABC Supply Co.	1/2	10	15	100	33 1/2	33	ABC Supply Co.	Grp
33	32 1/2	ABC Supply Co.	1/2	10	15	100	33	32 1/2	ABC Supply Co.	Grp
32 1/2	32	ABC Supply Co.	1/2	10	15	100	32 1/2	32	ABC Supply Co.	Grp
32	31 1/2	ABC Supply Co.	1/2	10	15	100	32	31 1/2	ABC Supply Co.	Grp
31 1/2	31	ABC Supply Co.	1/2	10	15	100	31 1/2	31	ABC Supply Co.	Grp
31	30 1/2	ABC Supply Co.	1/2	10	15	100	31	30 1/2	ABC Supply Co.	Grp
30 1/2	30	ABC Supply Co.	1/2	10	15	100	30 1/2	30	ABC Supply Co.	Grp
30	29 1/2	ABC Supply Co.	1/2	10	15	100	30	29 1/2	ABC Supply Co.	Grp
29 1/2	29	ABC Supply Co.	1/2	10	15	100	29 1/2	29	ABC Supply Co.	Grp
29	28 1/2	ABC Supply Co.	1/2	10	15	100	29	28 1/2	ABC Supply Co.	Grp
28 1/2	28	ABC Supply Co.	1/2	10	15	100	28 1/2	28	ABC Supply Co.	Grp
28	27 1/2	ABC Supply Co.	1/2	10	15	100	28	27 1/2	ABC Supply Co.	Grp
27 1/2	27	ABC Supply Co.	1/2	10	15	100	27 1/2	27	ABC Supply Co.	Grp
27	26 1/2	ABC Supply Co.	1/2	10	15	100	27	26 1/2	ABC Supply Co.	Grp
26 1/2	26	ABC Supply Co.	1/2	10	15	100	26 1/2	26	ABC Supply Co.	Grp
26	25 1/2	ABC Supply Co.	1/2	10	15	100	26	25 1/2	ABC Supply Co.	Grp
25 1/2	25	ABC Supply Co.	1/2	10	15	100	25 1/2	25	ABC Supply Co.	Grp
25	24 1/2	ABC Supply Co.	1/2	10	15	100	25	24 1/2	ABC Supply Co.	Grp
24 1/2	24	ABC Supply Co.	1/2	10	15	100	24 1/2	24	ABC Supply Co.	Grp
24	23 1/2	ABC Supply Co.	1/2	10	15	100	24	23 1/2	ABC Supply Co.	Grp
23 1/2	23	ABC Supply Co.	1/2	10	15	100	23 1/2	23	ABC Supply Co.	Grp
23	22 1/2	ABC Supply Co.	1/2	10	15	100	23	22 1/2	ABC Supply Co.	Grp
22 1/2	22	ABC Supply Co.	1/2	10	15	100	22 1/2	22	ABC Supply Co.	Grp
22	21 1/2	ABC Supply Co.	1/2	10	15	100	22	21 1/2	ABC Supply Co.	Grp
21 1/2	21	ABC Supply Co.	1/2	10	15	100	21 1/2	21	ABC Supply Co.	Grp
21	20 1/2	ABC Supply Co.	1/2	10	15	100	21	20 1/2	ABC Supply Co.	Grp
20 1/2	20	ABC Supply Co.	1/2	10	15	100	20 1/2	20	ABC Supply Co.	Grp
20	19 1/2	ABC Supply Co.	1/2	10	15	100	20	19 1/2	ABC Supply Co.	Grp
19 1/2	19	ABC Supply Co.	1/2	10	15	100	19 1/2	19	ABC Supply Co.	Grp
19	18 1/2	ABC Supply Co.	1/2	10	15	100	19	18 1/2	ABC Supply Co.	Grp
18 1/2	18	ABC Supply Co.	1/2	10	15	100	18 1/2	18	ABC Supply Co.	Grp
18	17 1/2	ABC Supply Co.	1/2	10	15	100	18	17 1/2	ABC Supply Co.	Grp
17 1/2	17	ABC Supply Co.	1/2	10	15	100	17 1/2	17	ABC Supply Co.	Grp
17	16 1/2	ABC Supply Co.	1/2	10	15	100	17	16 1/2	ABC Supply Co.	Grp
16 1/2	16	ABC Supply Co.	1/2	10	15	100	16 1/2	16	ABC Supply Co.	Grp
16	15 1/2	ABC Supply Co.	1/2	10	15	100	16	15 1/2	ABC Supply Co.	Grp
15 1/2	15	ABC Supply Co.	1/2	10	15	100	15 1/2	15	ABC Supply Co.	Grp
15	14 1/2	ABC Supply Co.	1/2	10	15	100	15	14 1/2	ABC Supply Co.	Grp
14 1/2	14	ABC Supply Co.	1/2	10	15	100	14 1/2	14	ABC Supply Co.	Grp
14	13 1/2	ABC Supply Co.	1/2	10	15	100	14	13 1/2	ABC Supply Co.	Grp
13 1/2	13	ABC Supply Co.	1/2	10	15	100	13 1/2	13	ABC Supply Co.	Grp
13	12 1/2	ABC Supply Co.	1/2	10	15	100	13	12 1/2	ABC Supply Co.	Grp
12 1/2	12	ABC Supply Co.	1/2	10	15	100	12 1/2	12	ABC Supply Co.	Grp
12	11 1/2	ABC Supply Co.	1/2	10	15	100	12	11 1/2	ABC Supply Co.	Grp
11 1/2	11	ABC Supply Co.	1/2	10	15	100	11 1/2	11	ABC Supply Co.	Grp
11	10 1/2	ABC Supply Co.	1/2	10	15	100	11	10 1/2	ABC Supply Co.	Grp
10 1/2	10	ABC Supply Co.	1/2	10	15	100	10 1/2	10	ABC Supply Co.	Grp
10	9 1/2	ABC Supply Co.	1/2	10	15	100	10	9 1/2	ABC Supply Co.	Grp
9 1/2	9	ABC Supply Co.	1/2	10	15	100	9 1/2	9	ABC Supply Co.	Grp
9	8 1/2	ABC Supply Co.	1/2	10	15	100	9	8 1/2	ABC Supply Co.	Grp
8 1/2	8	ABC Supply Co.	1/2	10	15	100	8 1/2	8	ABC Supply Co.	Grp
8	7 1/2	ABC Supply Co.	1/2	10	15	100	8	7 1/2	ABC Supply Co.	Grp
7 1/2	7	ABC Supply Co.	1/2	10	15	100	7 1/2	7	ABC Supply Co.	Grp
7	6 1/2	ABC Supply Co.	1/2	10	15	100	7	6 1/2	ABC Supply Co.	Grp
6 1/2	6	ABC Supply Co.	1/2	10	15	100	6 1/2	6	ABC Supply Co.	Grp
6	5 1/2	ABC Supply Co.	1/2	10	15	100	6	5 1/2	ABC Supply Co.	Grp
5 1/2	5	ABC Supply Co.	1/2	10	15	100	5 1/2	5	ABC Supply Co.	Grp
5	4 1/2	ABC Supply Co.	1/2	10	15	100	5	4 1/2	ABC Supply Co.	Grp
4 1/2	4	ABC Supply Co.	1/2	10	15	100	4 1/2	4	ABC Supply Co.	Grp
4	3 1/2	ABC Supply Co.	1/2	10	15	100	4	3 1/2	ABC Supply Co.	Grp
3 1/2	3	ABC Supply Co.	1/2	10	15	100	3 1/2	3	ABC Supply Co.	Grp
3	2 1/2	ABC Supply Co.	1/2	10	15	100	3	2 1/2	ABC Supply Co.	Grp
2 1/2	2	ABC Supply Co.	1/2	10	15	100	2 1/2	2	ABC Supply Co.	Grp
2	1 1/2	ABC Supply Co.	1/2	10	15	100	2	1 1/2	ABC Supply Co.	Grp
1 1/2	1	ABC Supply Co.	1/2	10	15	100	1 1/2	1	ABC Supply Co.	Grp
1	1/2	ABC Supply Co.	1/2	10	15	100	1	1/2	ABC Supply Co.	Grp
1/2	0	ABC Supply Co.	1/2	10	15	100	1/2	0	ABC Supply Co.	Grp
0	0	ABC Supply Co.	1/2	10	15	100	0	0	ABC Supply Co.	Grp

[illegible][illegible]

Law	High	PC	De	Sec	Law
1790	1790	1790	1790	1790	1790
1791	1791	1791	1791	1791	1791
1792	1792	1792	1792	1792	1792
1793	1793	1793	1793	1793	1793
1794	1794	1794	1794	1794	1794
1795	1795	1795	1795	1795	1795
1796	1796	1796	1796	1796	1796
1797	1797	1797	1797	1797	1797
1798	1798	1798	1798	1798	1798
1799	1799	1799	1799	1799	1799
1800	1800	1800	1800	1800	1800
1801	1801	1801	1801	1801	1801
1802	1802	1802	1802	1802	1802
1803	1803	1803	1803	1803	1803
1804	1804	1804	1804	1804	1804
1805	1805	1805	1805	1805	1805
1806	1806	1806	1806	1806	1806
1807	1807	1807	1807	1807	1807
1808	1808	1808	1808	1808	1808
1809	1809	1809	1809	1809	1809
1810	1810	1810	1810	1810	1810
1811	1811	1811	1811	1811	1811
1812	1812	1812	1812	1812	1812
1813	1813	1813	1813	1813	1813
1814	1814	1814	1814	1814	1814
1815	1815	1815	1815	1815	1815
1816	1816	1816	1816	1816	1816
1817	1817	1817	1817	1817	1817
1818	1818	1818	1818	1818	1818
1819	1819	1819	1819	1819	1819
1820	1820	1820	1820	1820	1820
1821	1821	1821	1821	1821	1821
1822	1822	1822	1822	1822	1822
1823	1823	1823	1823	1823	1823
1824	1824	1824	1824	1824	1824
1825	1825	1825	1825	1825	1825
1826	1826	1826	1826	1826	1826
1827	1827	1827	1827	1827	1827
1828	1828	1828	1828	1828	1828
1829	1829	1829	1829	1829	1829
1830	1830	1830	1830	1830	1830
1831	1831	1831	1831	1831	1831
1832	1832	1832	1832	1832	1832
1833	1833	1833	1833	1833	1833
1834	1834	1834	1834	1834	1834
1835	1835	1835	1835	1835	1835
1836	1836	1836	1836	1836	1836
1837	1837	1837	1837	1837	1837
1838	1838	1838	1838	1838	1838
1839	1839	1839	1839	1839	1839
1840	1840	1840	1840	1840	1840
1841	1841	1841	1841	1841	1841
1842	1842	1842	1842	1842	1842
1843	1843	1843	1843	1843	1843
1844	1844	1844	1844	1844	1844
1845	1845	1845	1845	1845	1845
1846	1846	1846	1846	1846	1846
1847	1847	1847	1847	1847	1847
1848	1848	1848	1848	1848	1848
1849	1849	1849	1849	1849	1849
1850	1850	1850	1850	1850	1850
1851	1851	1851	1851	1851	1851
1852	1852	1852	1852	1852	1852
1853	1853	1853	1853	1853	1853
1854	1854	1854	1854	1854	1854
1855	1855	1855	1855	1855	1855
1856	1856	1856	1856	1856	1856
1857	1857	1857	1857	1857	1857
1858	1858	1858	1858	1858	1858
1859	1859	1859	1859	1859	1859
1860	1860	1860	1860	1860	1860
1861	1861	1861	1861	1861	1861
1862	1862	1862	1862	1862	1862
1863	1863	1863	1863	1863	1863
1864	1864	1864	1864	1864	1864
1865	1865	1865	1865	1865	1865
1866	1866	1866	1866	1866	1866
1867	1867	1867	1867	1867	1867
1868	1868	1868	1868	1868	1868
1869	1869	1869	1869	1869	1869
1870	1870	1870	1870	1870	1870
1871	1871	1871	1871	1871	1871
1872	1872	1872	1872	1872	1872
1873	1873	1873	1873	1873	1873
1874	1874	1874	1874	1874	1874
1875	1875	1875	1875	1875	1875
1876	1876	1876	1876	1876	1876
1877	1877	1877	1877	1877	1877
1878	1878	1878	1878	1878	1878
1879	1879	1879	1879	1879	1879
1880	1880	1880	1880	1880	1880
1881	1881	1881	1881	1881	1881
1882	1882	1882	1882	1882	1882
1883	1883	1883	1883	1883	1883
1884	1884	1884	1884	1884	1884
1885	1885	1885	1885	1885	1885
1886	1886	1886	1886	1886	1886
1887	1887	1887	1887	1887	1887
1888	1888	1888	1888	1888	1888
1889	1889	1889	1889	1889	1889
1890	1890	1890	1890	1890	1890
1891	1891	1891	1891	1891	1891
1892	1892	1892	1892	1892	1892
1893	1893	1893	1893	1893	1893
1894	1894	1894	1894	1894	1894
1895	1895	1895	1895	1895	1895
1896	1896	1896	1896	1896	1896
1897	1897	1897	1897	1897	1897
1898	1898	1898	1898	1898	1898
1899	1899	1899	1899	1899	1899
1900	1900	1900	1900	1900	1900

[illegible]

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100

Wednesday's 4 P.M. Close
(Continued)

[illegible][illegible][illegible][illegible]

Year	12 Month		Stock	Div Yld	PE	100% Shk		High	Low	Latest
	High	Low				Shk	Low			
1954	254	224	Terminal			254	224	254	224	254
1955	254	224	Terminal			254	224	254	224	254
1956	254	224	Terminal			254	224	254	224	254
1957	254	224	Terminal			254	224	254	224	254
1958	254	224	Terminal			254	224	254	224	254
1959	254	224	Terminal			254	224	254	224	254
1960	254	224	Terminal			254	224	254	224	254
1961	254	224	Terminal			254	224	254	224	254
1962	254	224	Terminal			254	224	254	224	254
1963	254	224	Terminal			254	224	254	224	254
1964	254	224	Terminal			254	224	254	224	254
1965	254	224	Terminal			254	224	254	224	254
1966	254	224	Terminal			254	224	254	224	254
1967	254	224	Terminal			254	224	254	224	254
1968	254	224	Terminal			254	224	254	224	254
1969	254	224	Terminal			254	224	254	224	254
1970	254	224	Terminal			254	224	254	224	254
1971	254	224	Terminal			254	224	254	224	254
1972	254	224	Terminal			254	224	254	224	254
1973	254	224	Terminal			254	224	254	224	254
1974	254	224	Terminal			254	224	254	224	254
1975	254	224	Terminal			254	224	254	224	254
1976	254	224	Terminal			254	224	254	224	254
1977	254	224	Terminal			254	224	254	224	254
1978	254	224	Terminal			254	224	254	224	254
1979	254	224	Terminal			254	224	254	224	254
1980	254	224	Terminal			254	224	254	224	254
1981	254	224	Terminal			254	224	254	224	254
1982	254	224	Terminal			254	224	254	224	254
1983	254	224	Terminal			254	224	254	224	254
1984	254	224	Terminal			254	224	254	224	254
1985	254	224	Terminal			254	224	254	224	254
1986	254	224	Terminal			254	224	254	224	254
1987	254	224	Terminal			254	224	254	224	254
1988	254	224	Terminal			254	224	254	224	254
1989	254	224	Terminal			254	224	254	224	254
1990	254	224	Terminal			254	224	254	224	254
1991	254	224	Terminal			254	224	254	224	254
1992	254	224	Terminal			254	224	254	224	254
1993	254	224	Terminal			254	224	254	224	254
1994	254	224	Terminal			254	224	254	224	254
1995	254	224	Terminal			254	224	254	224	254
1996	254	224	Terminal			254	224	254	224	254
1997	254	224	Terminal			254	224	254	224	254
1998	254	224	Terminal			254	224	254	224	254
1999	254	224	Terminal			254	224	254	224	254
2000	254	224	Terminal			254	224	254	224	254

[illegible]

EDUCATION
Appears every Monday
in The International
to advertise contact Sarah Bercho
in our London office
Tel: - 44 171 226 0220
Fax: - 44 171 226 0574
or your nearest HFI office
or representative.
Herald Tribune
2000

ASIA/PACIFIC

Hanoi Tries to Make Up With Foreign Investors

Amid P&G Crisis, Meeting Reassures Few

Compiled by Our Staff From Dispatches

HO CHI MINH CITY — Prime Minister Phan Van Khai vowed Wednesday to improve the investment climate for foreigners as Procter & Gamble Co.'s Vietnam unit teetered on the brink of bankruptcy.

At the first conference designed to allow foreign investors to address grievances directly to the highest level of government, Mr. Khai said, "Your loss is our risk and loss."

"We are fully aware that we should and must continue to improve the environment to continue the improvement of the competitiveness of the market economy," he added.

Mr. Khai acknowledged that officials had caused unjustified losses for foreign investors, and he pledged to improve the situation.

"We will make the foreign investment environment more attractive and transparent," he said.

But he then said that not all foreign investors were saints and that some were guilty of trade fraud, labor abuses and tax evasion.

Procter & Gamble has become a symbol of Hanoi's problems with foreign investors. Its Vietnam unit, which is 70 percent owned by the American company and 30 percent owned by a local, state-run partner, is on the brink of shutting down.

The partners argued last year over responsibility for millions of dollars in losses incurred over the venture's first two and a half years in operation. Within weeks the issue had been covered extensively by the state-controlled media which, for the most part, portrayed it as an example of a foreign company's trying to

muscle out Vietnamese interests.

Alan Hed, the company's top executive in Vietnam, said that while there was still hope of saving the venture, it was in default on loans and starved for funds to continue.

"We are imminently facing insolvency," he said, adding that the parent company could not legally inject more capital unless the local partner in the venture did the same.

Mr. Hed said efforts to resolve the dispute, including lobbying on its behalf by the U.S. Embassy, had made no progress so far. He was not hopeful of any last-minute breakthrough.

At the conference, foreign investors presented a list of complaints and said much needed to be done if Vietnam were to regain its attraction as an investment destination.

Vi Le, trade commissioner for the Australian Embassy in Hanoi, said the reality of doing business in Vietnam was at odds with policy or statements by government officials.

"Getting the investment license is the easy part," she said. "After that, the day-to-day environment for implementation of the investment is riddled with hindrances that are contrary to policy. This has led to considerable foreign investor disillusionment."

Few investors said they expected much change after the meeting, which was held in the former South Vietnam's presidential palace.

"I don't think the changes required here are going to occur until there is a substantial pain feeling at street level," said Peter Ryder, president of the American property company Lukemex Co. (Reuters, AFP)



STRIKE FORCE — Members of the Korean Confederation of Trade Unions listening to a press conference Wednesday at which a spokesman complained that South Korean workers were hearing the brunt of the country's economic pain. The union threatened to stage a nationwide strike Friday.

Asia Gives Up Some Gains

Stock Indexes Slip as 'Realism' and Profit-Taking Set In

Reuters

HONG KONG — Major stock markets across Asia fell Wednesday as investors reminded themselves that the region's economic problems and poor corporate results would be around for a while.

The markets, which began the week with stunning rises, lost their momentum as investors took profits. Thai shares fell the most, with the main index ending the day down 9.5 percent, at 505.59 points.

"We're back to the realism that perhaps things aren't as rosy as we thought," said Miles Remington, a trader at SocGen Crosby Securities.

"Markets are going to have economic problems going forward, and

economic growth will be under pressure."

Hong Kong stocks fell 2 percent, while Tokyo lost just under 1 percent. Jakarta fell 3 percent, and Manila was off 2 percent. Malaysian shares fell 1.5 percent after Tuesday's 23 percent gain.

Pent-up demand after the Chinese New Year and strength in local currencies explained Monday's rally. Mr. Remington said, but the outlook has worsened once again with the corporate earnings season on the horizon in most major centers.

Poor earnings would remind investors of the havoc caused by the region's economic crisis of the past several months, he said.

Buyers Sour On Peregrine Asset Unit

Compiled by Our Staff From Dispatches

HONG KONG — Potential buyers of the asset-management arm of the failed Peregrine Investments Holdings Ltd. have left the negotiating table after finding the funds that the unit managed had performed poorly. Price Waterhouse & Co. said Wednesday.

Price Waterhouse, named last month to liquidate the failed investment-banking group, said the chances of finding a buyer for Peregrine Asset Management (H.K.) Ltd. were slim. Banque Nationale de Paris snapped up Peregrine's prize possession — its Greater China brokerage and corporate-finance business — for an undisclosed sum this week.

"We are negotiating with three parties for significant parts, and in addition to that, there are other offers on the table for individual offices," David Hague, the liquidator, said.

Sources close to the talks said the Spanish bank Banco Santander SA had made an offer for the whole of Peregrine but that it was conditional and that Peregrine's Greater China team had not been enthusiastic about the offer.

Under the deal struck with Banque Nationale de Paris, about 150 staff representing almost all the people remaining at Peregrine's Greater China equities division will move to a new entity called BNP Prime Peregrine Ltd.

Francis Leung, the co-founder of Peregrine who directed the Greater China equities operations, will be managing director. (AP, Reuters)

Investor's Asia			
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225	
17000	2000	20000	
15000	1750	18500	
13000	1500	17000	
11000	1250	15500	
9000	1000	14000	
7000	750	12500	
1997	1997	1997	
1998	1998	1998	
Exchange	Index	Wednesday	Change
Hong Kong	Hang Seng	14,262.61	10,525.51 -2.12
Singapore	Straits Times	1,425.23	1,417.80 -0.52
Tokyo	Nikkei 225	16,882.62	17,022.83 -0.82
Kuala Lumpur	Composite	690.76	701.81 -1.50
Selangor	SET	608.59	558.92 -0.54
Seoul	Composite Index	547.28	550.21 -0.53
Taipei	Stock Market Index	8,470.67	8,514.78 -0.57
Manila	PSE	2,042.14	2,085.58 -2.10
Jakarta	Composite Index	5,198.29	536.78 -3.14
Washington	DJSE-40	2,244.66	2,240.57 +0.19
Bombay	Sensitive Index	3,319.16	3,354.80 -1.05
Source: Reuters			

Very briefly:

• Thai Airways International PLC is holding talks with Boeing Co. and Airbus Industrie to delay taking delivery of seven new aircraft from the two companies.

• Cable & Wireless Marine Ltd. of Britain and Nippon Telegraph & Telephone Corp. of Japan formed a strategic alliance to create a new submarine cable engineering company in March to target construction and maintenance in Asia.

• China posted its first trade surplus with the European Union in five years in 1997 as its imports of mechanical and electrical machinery slumped, the official Xinhua news agency said. The \$4.62 billion surplus compared with a deficit of \$40 million in 1996.

• Microsoft Corp.'s chairman, Bill Gates, said that even though sales had been affected by the financial crisis in Asia, the troubles there would not affect the company's investment strategy. "The partnerships we build, those are designed for 10 years, 20 years or 30 years, and we'll be charging full speed ahead with that," he said.

• Yasuda Trust & Banking Co. of Japan said it had appointed Fuji Bank Ltd.'s vice president, Kazuhiko Kasai, as chairman, replacing Fujio Takayama. The move is expected to help Yasuda Trust restructure its business.

• Japan's industrial production at manufacturers with 300 or more employees fell 2.9 percent in the October-December quarter from the July-September quarter, as sluggish sales at home and in Asia offset a rise in exports to the United States and Europe.

• Toho Mutual Life Insurance Co. of Japan and a financial unit of General Electric Co. of the United States are in talks to establish a business partnership that could help increase the ailing insurer's capital base.

• Coca-Cola Co.'s South East and West Asian division said it expected profit from its soft drinks to exceed 1997's record levels despite Asia's economic crisis. It said sales in the region were continuing to grow along with profits in dollar terms despite severe currency depreciations in some of the countries in which it operates.

AFP, Bloomberg, Reuters

South Korean 'Shark-Watchers' Fend Off Foreign Firms

Bloomberg News

SEOUL — Pae Jin Mook has one of the hottest jobs in South Korea these days: "shark-watcher."

That is what people are calling a new breed of financial professionals emerging to help companies fend off hostile takeovers. As the country throws open its struggling economy, shark-watchers like Mr. Pae say they are in for a busy year.

"I'm so excited about my new job," said the 37-year-old Mr. Pae, who works for Daewoo Securities Co., the nation's largest brokerage. "We are bombarded with requests from both local and foreign investors these days inquiring about possible mergers and acquisitions."

The shark-watchers may get even busier after a government panel made it easier for foreigners to make hostile bids. United Technologies Corp. and other foreign companies have already started buying parts of Korean companies made cheap by a slump in stocks and the currency last year.

In Seoul, specialists in mergers and acquisitions say inquiries have risen tenfold in the past few months. Investment bankers around Asia say their business may boom as U.S. and European companies try to cash in on Asia's financial crisis by picking up companies on the cheap.

Plenty of Korean companies need foreign money as the economy beads for its slowest

year in almost two decades. A record 15,000 Korean companies went bankrupt last year.

Legal changes being considered by President-elect Kim Dae Jung and his economic task force would make it cheaper for would-be raiders to attack. Among other things, Korea would drop a requirement that investors buy 41 percent of a company's stock the moment their holdings exceed 25 percent. Also, investors would not have to get management's approval before buying more than 10 percent of a company, although they would need it before buying more than a third.

Once the laws are revised, the foreign sharks may start circling.

For companies with dollars to spend, many

Korean companies cost a third of what they did a year ago. The currency, the won, lost about half its value against the dollar since then.

Already, the number of public companies in which a single foreign investor or an investment group holds more than 5 percent more than doubled to 28 from the end of last year, according to the Securities Supervisory Board. They include SK Telecom, Daewoo Corp., Hyosung T&C Co., Bukwang Pharmaceutical Industry Co. and Hankook Tire Manufacturing Co.

"Under the current liquidity situation, Korean companies have no choice but to yield to foreign pressure," said Oh Dong Jin, an official at the Federation of Korean Industries.

Saison to Sell Hotels

Group Seeks Buyer for Inter-Continental

Compiled by Our Staff From Dispatches

TOKYO — Saison Group said Wednesday it was seeking a buyer for its Inter-Continental Hotels & Resorts division, which analysts have said could be worth \$3 billion.

The group said it had received "several earnest offers" for the chain during preparations for a U.S. stock listing for the unit, prompting the decision to sell.

The sale of the hotel chain, which Saison bought in 1988 for 280 billion yen (now \$2.22 billion), is expected to help the group pare down its debts when financial institutions are reluctant to expand lending. Saison also plans to raise funds by selling its stake in a major convenience-store operator through its Seiyu Ltd. division.

Inter-Continental operates 188 hotels worldwide and has three in Japan.

(Reuters, Bloomberg, AFP)

Australia Mounts Defense Of Its Exports to East Asia

Compiled by Our Staff From Dispatches

CANBERRA — Australia, seeking to shield exports from the Asian economic crisis and combat an aggressive U.S. trade push in the region, extended its export underwriting package Wednesday to include Indonesia.

Prime Minister John Howard said there would be no limit to export assistance to Indonesia, which follows a 300 million Australian dollar (\$206 million) package for exports to South Korea.

Mr. Howard also warned that Canberra was considering

other steps to protect Australia from U.S. competition.

"Our exporters are facing fierce, even on occasion actively avaricious competition from U.S. exporters into Indonesia, who are not being shy in the export methods being employed in order to gain access to the Indonesian market," Mr. Howard said.

Australia is also considering a complaint to the World Trade Organization.

The United States is offering \$2 billion in export credits to East Asian nations to buy its farm goods. (Reuters, AFP)



Win Two Airline Tickets in the Air Canada/IHT Competition

1. How many more centimetres of foot room do you gain in Air Canada's Executive First compared to all other airlines?

a. 2.5cm b. 12.5 cm c. 37.5cm

2. What does Air Canada offer you in Executive First?

- a. Cookies and ice-cream
- b. Unlimited supply of mineral water
- c. Personal phone
- d. Personal video
- e. Complimentary gift
- f. Executive First check-in
- g. Personal computer games
- h. All of the above

Fill in the coupon below and fax or mail your entry to the International Herald Tribune. A prize drawing will be held and the first two correct entries drawn will win two free airline tickets. Entry deadline is February 28, 1998.

RULES AND REGULATIONS

- Entries must be received no later than February 28, 1998.
- Valid only where legal. No purchase necessary.
- Entries will not be accepted from staff, families and agents of the newspaper or Air Canada (including its partners).
- No correspondence will be entered into. Proof of postage or e-mail return request will not be accepted as proof of receipt.
- Winners will be drawn on March 15, 1998 and published thereafter in the newspaper. The first two correct entries drawn will be the winners.
- On all matters, the Publisher's decision is final.
- The Publisher reserves the right in his absolute discretion to disqualify any entry, competitor or nominee, or to waive any rules in the event of circumstances outside our control which, in his opinion, make it desirable to cancel the competition at any stage.
- Tickets are valid for travel until December 30, 1998. However, tickets must be booked and ticketed no later than December 15, 1998 or they will no longer be valid.
- Valid on board Air Canada scheduled flights only. This does not include the Air Canada Connectors network: Air Nova, Air BC, Air Ontario, Air Alliance, our alliance partners, charters, and codesharing.
- Some blackout dates apply. Fridays/Saturdays are blacked out year round on eastbound flights; Saturdays/Sundays are blacked out year round on westbound flights.
- Tickets are not transferable and are not redeemable for cash.
- Transportation is subject to space availability at time of reservation.
- Once tickets have been issued, (1) routings and destinations cannot be changed; (2) tickets are valid for a 3-month period from the date issued; and (3) upgrades are not permitted under any circumstances.
- Airplane mileage accumulation is not permitted on promotional (Complimentary) Passes.
- All airport/departure taxes are the sole responsibility of the users of the Promotional Passes.

TWO WINNERS!

Two roundtrip airline tickets per winner in Economy Class on Air Canada, from any Air Canada scheduled European destination to any Air Canada scheduled destination in Canada.

COUPON

Your answers: 1. _____ 2. _____
 NAME _____
 JOB TITLE _____
 COMPANY _____
 ADDRESS _____
 POST CODE _____ CITY _____
 COUNTRY _____
 TEL. _____ E-mail _____

☐ I do not wish to receive information from other carefully screened companies

Send coupon to:
 IHT/Air Canada Competition,
 International Herald Tribune,
 181 Avenue Charles-de-Gaulle,
 92521 Neuilly Cedex, France.

AIR CANADA
 A BREATH OF FRESH AIR

Herald Tribune
 THE WORLD'S DAILY NEWSPAPER

5-02-98

EDUCATION

Appears every Monday in The Intermarket. To advertise contact Sarah Wershof in our London office: Tel: +44 1 71 420 0326 Fax: +44 1 71 420 0338 or your nearest IHT office or representative.

Herald Tribune
 THE WORLD'S DAILY NEWSPAPER

INTERMARKET FUND

SICAF

2, Boulevard Royal, Luxembourg

NOTICE

Notice is hereby given that an Extraordinary General Meeting of shareholders shall be held at 69, route d'Esch, Luxembourg on 18th February, 1998 at 10:00 a.m. for the purpose of considering the following agenda:

- In resolve on the liquidation of the Company.
- In appoint a liquidator.

In order to deliberate validly on the items of the agenda, at least 50% of the shares issued must be represented at the meeting, and the decision in favour of the resolutions must be approved by shareholders holding at least 2/3 of the shares represented at the meeting.

Proxy forms are available at the Fund's registered office.

In order to be valid proxies duly executed by shareholders should be mailed to Banque Internationale à Luxembourg, att: Mrs. Dupont, 69, route d'Esch, L-9953 Luxembourg so as to be received the business day preceding the Meeting at 5:00 p.m. at the latest.

By order of the Board of Directors.

WORLD ROUNDUP



Iva Majoli hitting Li Fang in the Toray Pan Pacific Open in Tokyo. Li Fang retired hurt.

Seeds Fall in Croatia

TENNIS The seeds continued to fall in the Croatian Indoors tournament in Split on Wednesday. Thomas Johansson the No. 6 seed, lost to Martin Sinner, ranked 100th in the world, in the first round. Andrei Medvedev the No. 4 seed, lost, 6-3, 6-7 (2-7), 6-1, to Kenneth Carlsen, in the second round. Timo Henman, seeded No. 3, and Javier Sanchez, seeded No. 7 seed, had already lost in the first round.

Greene Breaks Record

ATHLETICS Maurice Greene broke the world indoor 60-meter record, clocking 6.39 seconds in Madrid on Tuesday. On Sunday, Greene had equaled the previous record of 6.41 seconds set by Andre Cason in 1992. (AP)

Stade Officials Hopeful

RUGBY UNION Officials at the Stade de France said the field would be ready for the Five Nations match between France and England on Saturday. The stadium, which opened last week, has no undersoil heating. The field is reportedly frozen to a depth of 10 centimeters. (AP)

Frye Stays With Boston

BASEBALL Second baseman Jeff Frye and the Boston Red Sox avoided arbitration by agreeing to a \$7 million, three-year contract. Frye, 31, hit .312 last year. (AP)

So Many Injuries,
So Little Time to Heal

Germany's Scarred Figure-Skating Pair
Hopes for Luck in Avoiding More Accidents

By Jere Longman
New York Times Service

NAGANO, Japan — In his hometown of Chemnitz, the figure skater Ingo Steuer owns a pub with a laundry room so customers can have a beer while their clothes churn through the rinse cycle. If only he could be so creative in avoiding injury.

The scars on the bodies of Steuer and his pairs partner, Mandy Woetzel, read like a zipped road map through their dangerous careers. They are the world pairs champions, but seldom have their expectations exceeded their insurance premiums.

Steuer has the knees of an American football offensive lineman, not a figure skater, having undergone surgery six times. Woetzel once caught a skate blade in the head and remained in the hospital for three months.

Steuer and Woetzel were forced to withdraw during the long program at the 1994 Winter Olympics in Lillehammer, Norway, when she tripped on a rut and fell on her chin. The cut needed stitches and Steuer had to carry her from the ice in his arms.

"Sometimes you stop on your toe pick and sometimes you stop on your chin," said Peter Krick, the executive director of the German figure-skating association.

Steuer and Woetzel recovered to win the 1997 world figure skating championship last March, and finally, with the 1998 Winter Olympics approaching, Woetzel and Steuer seemed to be over their troubles. The world title had made them early gold-medal favorites.

But if out for bad luck, they would have no luck at all.

On Dec. 8, Steuer stood on the edge of a street in Chemnitz when a passing car whacked his right forearm with the side-view mirror. The collision broke the mirror and hyperextended his arm, partly tearing ligaments in his right shoulder.

Though pain began to radiate into his neck and back, and he suffered headaches, Steuer continued to skate after the accident until the discomfort became debilitating at the Champion

Series final, an Olympic preview held in Munich on Dec. 19 and 20. During the long program, Steuer felt a sharp pain that extended to his head when he caught Woetzel after a triple twist. The pair finished second to Yelena Berezhnaya and Antoo Sikharulidze, but Steuer does not know how.

"I felt a stitch in my ear and after that I couldn't remember anything," said Steuer, who left the arena on a stretcher and was taken to a hospital. He needed such a dose of painkillers that he could not perform in the exhibition the next day.

For three weeks, the pair did not skate. For another two weeks, they were limited to footwork tracings. They skipped the European championships in January and only last week began the lifts and throws that will be necessary to win a medal at the 1998 Winter Olympics.

The pairs competition begins Sunday. Under the circumstances, Woetzel and Steuer would be happy with the bronze medal.

During practice Tuesday, Steuer, 31, kept shaking his arm like a baseball pitcher who has oinked a fastball too early in spring training. His right arm is what he uses to lift Woetzel, to throw her and to hold her head just above the ice on a death spiral.

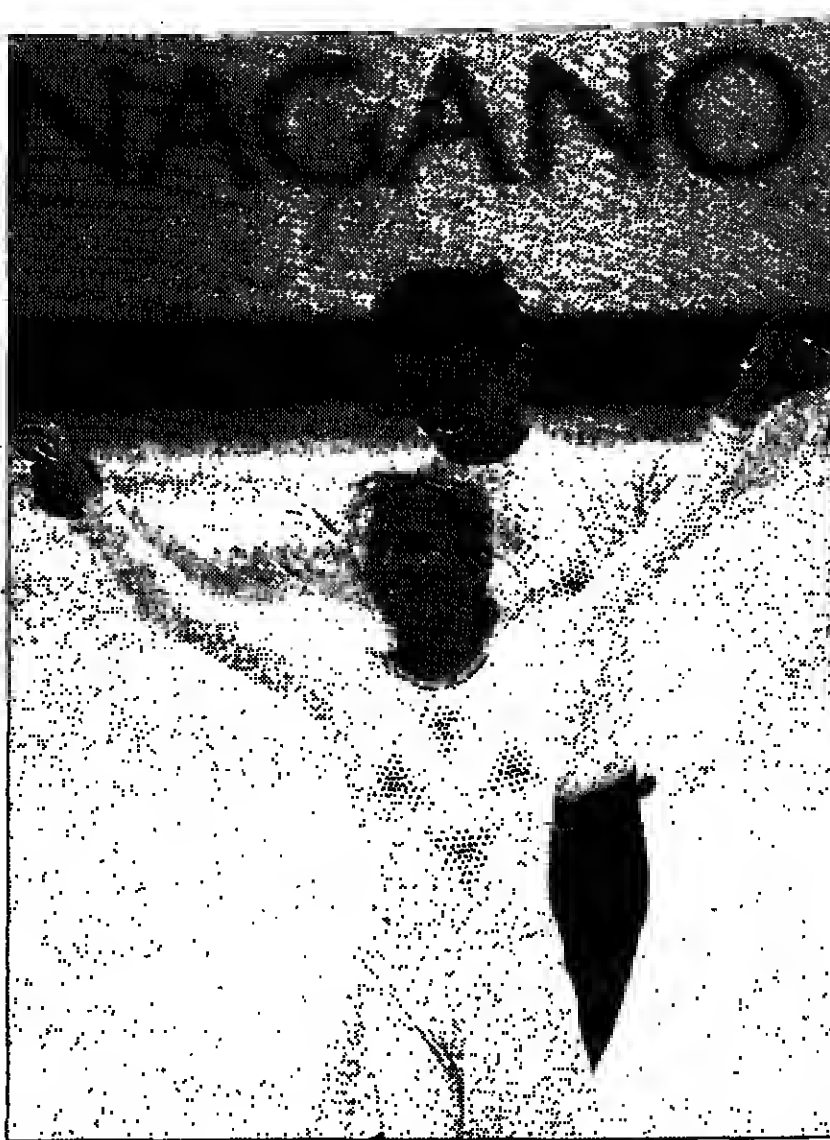
"We don't think about the pain," Steuer said.

He added: "It doesn't matter. We will do what we can do. Our dream is a medal. We will skate for a medal."

Berezhnaya and Sikharulidze of Russia, the 1998 European champions, are the Olympic favorites. Artur Dmitriyev of Russia won the 1992 Olympic title and the 1994 silver medal with his previous partner and will attempt to win gold again with Oksana Kazakova. The third medal appears to be up for grabs among Woetzel and Steuer, Marina Eltsova and Andrei Bashkov of Russia and the American pair, Kyoko Ina and Jason Dungjen and Jenni Meno and Todd Sand.

Steuer said his main problem now is not pain, but stamina. "We tried the short program and the long program at home," he said. "It was clean but slow. We have no conditioning."

This season was to serve as redemption for the 1994 Games in Lillehammer, when Steuer held Woetzel's arms behind her during a forward spiral maneuver and she could not break her fall when she hit a divot in the ice.



Mandy Woetzel and Ingo Steuer of Germany keeping their spirits up during a practice skating session in Nagano, Japan, on Wednesday.

mer, when Steuer held Woetzel's arms behind her during a forward spiral maneuver and she could not break her fall when she hit a divot in the ice.

"We've had enough bad stories," Steuer said. Woetzel could only agree.

In 1989, while performing side-by-side camel spins with her former partner, Axel Rauschenbach, Woetzel caught a skate blade in her head that kept her hospitalized for three months and out of school for half a year. Doctors told her to retire, she said, but she insisted on continuing, even if she and Steuer now place extra distance between them on spins to avoid another frightening injury.

"The doctors said it was too dangerous, but I said, 'This is my life, I want it,'" said Woetzel, who is 24.

Partners since 1992, Woetzel and

Steuer skate with a classical presence and employ slow music to accentuate their mature performance.

"It's not Oktoberfest," said Krick, the director of the German figure-skating association. But they are also a fiery pair whose disagreements have become verbal bonfires. "He is temperamental and she is sometimes too quick to answer," Krick said.

They will take one final shot at an Olympic medal before turning professional.

"You train for four years and you see the whole thing disintegrating because of an unfortunate illness or something," said John Nicks, who coaches Meno and Sand. "It's not like golf. If you're sick at the Masters, you've still got the Open and the PGA. This is a one-shot deal."

In Nagano, Cross-Cultural Tensions

Misunderstandings Plague Relations Between the Organizers

Reuters

NAGANO, Japan — Local organizers lined up in the hotel lobby with grim faces as they prepared to take a cultural leap and give a European-style kiss good-bye to representatives from the International Olympic Committee.

"It was embarrassing to watch," said one Japanese who witnessed the scene. "The Japanese clearly did not want to kiss anyone but felt they had to."

While misunderstandings over whether to kiss, shake hands or bow can be comical, other cultural gaps could have more serious consequences for the 18th Winter Olympics.

This may be true especially when the consensus-minded professional bureaucrats running the Olympics hump into foreign sports officials who demand instant decisions, particularly once the Games start.

There have already been problems, including a huge public fight over the men's downhill course, complaints about the size of hotel rooms, the number of Western-style toilets, the quality of food and criticisms about the methods for reaching decisions.

Makoto Kobayashi, director-general of the Nagano Organizing Committee, said cultural misunderstandings have been and will continue to be a problem.

Kobayashi said the bitter dispute over the start of the showpiece men's downhill was partly a result of those misunderstandings. "It was probably one of the elements," he said. "The alpine ski events which take place in Europe and the way they are prepared is probably different than the way we prepare them in Japan."

The dispute was finally resolved in

December when Kobayashi and other organizing committee officials caved in to pressure from international and domestic ski bodies to raise the start of the downhill.

International Ski Federation officials maintained that the committee's argument that raising the start would place it in a national park and thereby break environmental laws was illogical because thousands of recreational skiers already use the park every weekend during the winter.

"If they tell us we have violated laws, then we will accept the decision," said Gian-Franco Kasper, the ski federation's secretary-general. "But if it is because we have blond hair instead of black hair, then we will not accept it."

After five years of debate, a compromise was reached that put part of the course into the national park.

International sports executives and Nagano committee officials both said they were worried about delays in settling similar standoffs during the Games.

"You have seven years to prepare and only 16 days to deliver," said Kevin Gospar, the IOC press commission chief. "We have talked about the need, when the Games are running, of flexibility. If it proves out to be working, that they will be flexible."

Kobayashi, a career bureaucrat in Tokyo before taking over the job of running the Olympics, said he was trying to delegate decision-making power to lower-level officials, many of whom are government bureaucrats on loan to the Nagano committee.

"During the Games I have made sure all the venue managers have the authority to make decisions, because if we

Avalanche
Of Cash for
The Winter
Olympics

The Associated Press

NAGANO, Japan — Many people were skeptical when Olympic leaders decided to break the traditional four-year cycle and hold Winter and Summer Games in separate years.

But the gamble has paid off, in hundreds of millions of dollars.

Olympic officials say the Nagano Games have generated record marketing revenue — three times more than at Lillehammer in 1994.

Lillehammer was the first Winter Olympics held in a different year from the Summer Olympics. The intention was to give a more distinct identity to the winter event, which had long been overshadowed by the summer spectacle.

Lillehammer launched the new era of the Winter Games," said Dick Pound, the International Olympic Committee's chief marketing official. "Nagano results speak for themselves."

Nagano has brought in more than \$800 million in television and sponsorship revenue.

More than \$300 million has come from worldwide and national corporate sponsorships, compared to \$100 million in Lillehammer. Television rights sold for \$530 million, including a \$375 million deal with CBS, the American network.

The revenue is divided between Nagano organizers, the IOC, national Olympic committees and international sports federations.

The organizers receive about 60 percent. For Nagano, that means \$307 million from television rights. In 1991, when Nagano was selected as the 1998 host city, Japanese officials estimated the figure would be only \$161 million.

The 11 worldwide corporate sponsors and 26 domestic partners have chipped in more than \$300 million — 10 times Nagano's original estimate.

Lillehammer also set a record for the number of countries receiving the Winter Olympics on television. Nagano will do even better. About 160 countries are taking the feed from Nagano, compared to 120 for Lillehammer.

Skeleton Out of
Olympic Closet

The Associated Press

NAGANO, Japan — The sport of skeleton and women's bobsledding and ski jumping could be added to the Olympics for the 2002 Winter Games in Salt Lake City.

Ski jumping, bobsledding and Nordic Combined are the only sports left in the Winter Games with no women's events.

The International Olympic Committee wants more women competitors in the Summer and Winter Games. The Salt Lake City organizers said Wednesday they were willing to comply. Salt Lake officials also said they were willing to include skeleton, a sport which involves sliding head-first down an ice track on a sled. The event would use the same course as that used for luge.

Drug Warning for Hockey Stars

Dr. Makoto Ueki, the chief drug tester at the Winter Olympics, said Wednesday he believed that some National Hockey League players at the Games could test positive for Sudafed, a commonly used, over-the-counter cold remedy. The Associated Press reported from Nagano. "It is prohibited, even for colds," he said.

Sports Illustrated, the American sports magazine, reported last week that 20 percent of NHL players routinely use Sudafed to increase their energy. The medication contains pseudoephedrine, which in large enough amounts acts as a stimulant. It is banned by the IOC but not by the NHL.

"I think the Sudafed issue will be a problem for this tournament," Ueki said. "This is not new. It has been banned previously."



BALLET ON ICE — Chie Sakuma of Japan tangling with the American Alana Blahoski in an exhibition women's hockey match ahead of the upcoming Olympic games that will be held in Nagano, Japan.

SCOREBOARD

BASKETBALL

NBA STANDINGS

Atlantic Division	W	L	Pct	GB
Miami	17	17	.500	0
New York	15	19	.438	2
New Jersey	14	20	.410	3
Washington	13	21	.383	4
Orlando	12	22	.353	5
Boston	11	23	.324	6
Philadelphia	10	24	.291	7
Charlotte	9	25	.263	8
Cleveland	8	26	.231	9
Atlanta	7	27	.208	10
Indiana	6	28	.179	11
Chicago	5	29	.149	12
Memphis	4	30	.119	13
San Antonio	3	31	.088	14
Utah	2	32	.058	15
Minnesota	1	33	.028	16
Houston	0	34	.000	17
Vancouver	0	34	.000	18
Dallas	0	34	.000	19
Denver	0	34	.000	20
Seattle	0	34	.000	21
LA Lakers	0	34	.000	22
Phoenix	0	34	.000	23

EUROLEAGUE

MAJOR COLLEGE SCORES

W	L	Pts	GF	GA
New Jersey	22	16	70	153
Philadelphia	21	17	67	152
Washington	20	18	62	157
Orlando	19	19	58	156
Boston	18	20	54	151
Philadelphia	17	21	50	147
Atlanta	16	22	46	142
Indiana	15	23	42	137
Chicago	14	24	38	132
Memphis	13	25	34	127
Houston	12	26	30	122
Vancouver	11	27	26	117
Dallas	10	28	22	112
Seattle	9	29	18	107
LA Lakers	8	30	14	102
Phoenix	7	31	10	97
San Antonio	6	32	6	92
Utah	5	33	2	87
Minnesota	4	34	0	82
Houston	3	35	0	77
Vancouver	2	36	0	72
Dallas	1	37	0	67
Seattle	0	38	0	62
LA Lakers	0	38	0	57
Phoenix	0	38	0	52

HOCKEY

NHL STANDINGS

W	L	Pts	GF	GA
New Jersey	22	16	70	153
Philadelphia	21	17	67	152
Washington	20	18	62	157
Orlando	19	19	58	156
Boston	18	20	54	151
Philadelphia	17	21	50	147
Atlanta	16	22	46	142
Indiana	15	23	42	137
Chicago	14	24	38	132
Memphis	13	25	34	127
Houston	12	26	30	122
Vancouver	11	27	26	117
Dallas	10	28	22	112
Seattle	9	29	18	107
LA Lakers	8	30	14	102
Phoenix	7	31	10	97
San Antonio	6	32	6	92
Utah	5	33	2	87
Minnesota	4	34	0	82
Houston	3	35	0	77
Vancouver	2	36	0	72
Dallas	1	37	0	67
Seattle	0	38	0	62
LA Lakers	0	38	0	57
Phoenix	0	38	0	52

CRICKET

NEW ZEALAND VS. ZIMBABWE

W	L	Pts	GF	GA
New Jersey	22	16	70	153
Philadelphia	21	17	67	152
Washington	20	18	62	157
Orlando	19	19	58	156
Boston	18	20	54	151
Philadelphia	17	21	50	147
Atlanta	16	22	46	142
Indiana	15	23	42	137
Chicago	14	24	38	132
Memphis	13	25	34	127
Houston	12	26	30	122
Vancouver	11	27	26	117
Dallas	10	28	22	112
Seattle	9	29	18	107
LA Lakers	8	30	14	102
Phoenix	7	31	10	97
San Antonio	6	32	6	92
Utah	5	33	2	87
Minnesota	4	34	0	82
Houston	3	35	0	77
Vancouver	2	36	0	72
Dallas	1	37	0	67
Seattle	0	38	0	62
LA Lakers	0	38	0	57
Phoenix	0	38	0	52

SOCCER

SPANISH CUP

W	L	Pts	GF	GA
New Jersey	22	16	70	153
Philadelphia	21	17	67	152
Washington	20	18	62	157
Orlando	19	19	58	156
Boston	18	20	54	151
Philadelphia	17	21	50	147
Atlanta	16	22	46	142
Indiana	15	23	42	137
Chicago	14	24	38	132
Memphis	13	25	34	127
Houston	12	26	30	122
Vancouver	11	27	26	117
Dallas	10	28	22	112
Seattle	9	29	18	107
LA Lakers	8	30	14	102
Phoenix	7	31	10	97
San Antonio	6	32	6	92
Utah	5	33	2	87
Minnesota	4	34	0	82
Houston	3	35	0	77
Vancouver	2	36	0	72
Dallas	1	37	0	67
Seattle	0	38	0	62
LA Lakers	0	38	0	57
Phoenix	0	38	0	52

TRANSITIONS

BASEBALL

LEAGUE
First quarter-
sky running

MOVIE TO CANTON COLLEGE
SAN JOSE—Recalled D Rich Brennan from
Kentucky, AHL.
TAMPA BAY—Sent RW Paul Broussard to
Adirondack, AHL.
TORONTO MAPLE—Sent C Kevin Adams to

SPORTS

France Is on Defensive Over World Cup Tickets

PARIS — France's World Cup organizers, under fire for limiting ticket allocations to foreign fans, said Wednesday that the country's small stadiums had severely restricted their options.

France will hold the biggest World Cup this summer, with more teams than ever — 32 — qualifying for the month-long soccer tournament.

But foreign soccer federations, particularly in neighboring European countries, have criticized the division of tickets. Only 20 percent of the 2.5 million tickets will go to the soccer federations of other countries for distribution to their supporters, and an additional 8 percent will go to tour operators. Twelve percent have been reserved for competition sponsors.

Isabelle Delaive, head of World Cup ticketing, said she had followed guidelines laid down by the world soccer governing body, FIFA, and had been as generous as possible to non-French fans.

"We offered more tickets for foreigners than we were obliged to," she said. "We've done the best we could in difficult circumstances."

Delaive said her organizing committee was respecting FIFA rules and making 20 percent of tickets available to national soccer federations outside France.

She said only 15 percent of tickets had been reserved for federations at the last World Cup in the United States in 1994 but that U.S. stadiums had on average 70,000 seats. The 10 French World Cup stadiums have an average capacity of 46,000.

Although there were eight fewer teams at the U.S. competition and therefore fewer matches, there were some one million more tickets on offer.

France has built an 80,000-seat stadium, the Stade de France, and has upgraded most of the other venues. But officials said they could not add huge

numbers of seats to all their grounds.

"After the Cup, these stadiums have to be used by regular league teams," one official said, "and they simply could not fill new, huge stands week after week. We had to be practical about this."

France's logistical problems have been exacerbated by the fact that virtually all of its close neighbors — England, Germany, Spain, Italy, the Netherlands and Belgium — have qualified for the competition.

"We could have sold 10 or 15 million seats for the competition," Delaive said. She added that millions of French fans had missed out on national draws for the 1.5 million tickets reserved for people living in the host nation.

Sixty percent of the seats have been sold to people living in France and members of French soccer organizations.

Even soccer federations from countries that failed to make it to the finals are clamoring for seats. "One such federation has just asked us for 60,000 tickets," Delaive said.

"We would advise people to check with us, via our Internet site, to see if they are dealing with authorized dealers," she said. "And remember, we haven't printed a single ticket, yet they will only be sent out in May."

The authorities are worried that thousands of people will pour into France in the hope of picking up seats on the black market.

Delaive said that everything was being done to suppress illegal ticket sales. No one can buy more than four tickets per game, and they will not receive them until a month before the start of the competition. All tickets will have the buyers' name on them and will become void if they are sold to third parties. Sponsors were being asked to return any tickets they did not want.

"Our message is if you don't have a ticket, don't come to the World Cup," Delaive said.



Brazil's Junior, left, pushing Linval Dixon of Jamaica off the ball as he heads toward the goal in the first half.

Jamaican Goalie Stymies Mighty Brazil

MIAMI — Goalkeeper Warren Barrett played the game of his life, making several outstanding saves as Jamaica held Brazil, the defending world champions, to a 0-0 draw in the first round of the CONCACAF Gold Cup.

Barrett, captain of the Jamaican team, made his most important save six minutes from time, as he knocked away a 22-yard blast from Romario.

"Instead of stressing David vs. Goliath that Goliath is too big to beat, I stressed that Goliath was too big to miss," said Rene Simoes, the Jamaican coach. Under Simoes, a Brazilian, Jamaica is heading to the World Cup

finals for the first time.

The Gold Cup is the biennial competition of the Confederation of North, Central American and Caribbean Association Football. As champions of Copa America, Brazil received an automatic berth in the Gold Cup.

"Strangely enough," said Mario Zagallo, the Brazil coach, "I was happy we did not win 1-0 because it will give us lessons for the future."

"I wanted a 0-0 result," he added. "We were superior on the field of play. We should have had 3-4-5 goals."

Brazilian defender Junior Baiano was ejected for elbowing midfielder Theodore Whitmore three minutes into

injury time. Baiano is expected to be suspended from the next two games of the tournament.

Violence Hits Britain's FA Cup

Two fans were hospitalized and 29 were arrested in the English FA Cup match between Reading and Cardiff, police and club officials said Wednesday.

Reading won on penalties after the extra time finished at a 1-1 draw.

Reading stadium manager Ray Booth said a total of six Reading fans were treated after being hit by coins thrown by Cardiff fans and that two were taken to a hospital. Police said two Cardiff fans were charged with throwing missiles.

Ciccarelli Scores 600th As Panthers Tie Wings

The Associated Press

MIAMI — Dino Ciccarelli felt a wide range of emotions after scoring his 600th National Hockey League goal.

Ciccarelli, 38, was happy his milestone goal came against the Detroit Red Wings, one of his former teams, and helped the Florida Panthers pull out a 1-1 tie Tuesday night.

He was thrilled at joining some elite company as the ninth player in league history to reach 600 goals. But then he

NHL Roundup

saw Vladimir Konstantinov, a former teammate, in a wheelchair outside the Florida locker room at Miami Arena after the game.

It was then that Ciccarelli, traded from the Red Wings before the 1996-97 season, got a dose of reality. Konstantinov watched his first game since being seriously injured in an automobile accident last June.

Konstantinov was a member of the Red Wings' team that won the Stanley Cup last year. A few days later, he was involved in an accident, one that left him in a coma for more than a month.

Konstantinov has been undergoing rehabilitation treatments in West Palm Beach and accompanied the Red Wings to the White House last week. He went to dinner with the team in Fort Lauderdale on Monday night.

The game Tuesday night was the first time this season that Konstantinov watched his team play. He was taken to the game in a wheelchair and watched from a sky box.

According to his teammates, Konstantinov's recovery has been slow but steady. His speech and short-term memory are limited for now.

Konstantinov's wife, Irina, wheeled her husband downstairs to the Panthers' dressing room. She said he was aware that Ciccarelli had scored his 600th goal and wanted to congratulate him.

"I told him my style of play is a lot like his, in that we're both dirty. He smiled when I said that," Ciccarelli said.

"It really puts a lot of things in perspective," said John Vanbiesbrouck, the Florida goalie.

The Red Wings came close to giving Konstantinov a victory as a get-well gift. They led 1-0 on Larry Murphy's goal at 2:38 of the first period.

It appeared that the goal might hold up as Red Wings goalie Chris Osgood went for his fourth shutout in his last eight starts.

Then Ciccarelli drew a holding penalty from Igor Larionov that set up a power-play opportunity for the Panthers. Ciccarelli made it pay off when he took a pass from Dave Gagner in front of the crease and knocked the puck into the net with just 5:09 left.

"I congratulated him afterward, and then I realized that he scored about 30 of them against me," Vanbiesbrouck said.

Blackhawks 4, Coyotes 2 Tony Amonte had two goals and an assist to lead Chicago to victory at Phoenix, ending the Coyotes' four-game unbeaten streak.

Kings 6, Flames 3 Jozsef Stumpel scored three times and set up the go-ahead goal for Los Angeles at Calgary.

Physiologist Rejects PGA Claim That Walking 18 Holes Is Tough

By Richard Sandimir
New York Times Service

EUGENE, Oregon — The PGA Tour's challenge to Casey Martin's fight to ride a golf cart is built on several factors, one being walking. Golfers have always walked the tournament courses and must cope with 18 holes' worth of fatigue, the Tour insists.

But during the second day of Martin's federal lawsuit against the PGA Tour, a physiologist testified in U.S. District Court that a round of golf expends less energy than continuous walking.

"Because of the low level of activity in golf, it is not especially taxing," Dr. Gary Kluge of the University of Oregon testified Tuesday. He also disputed the PGA Tour's belief that fatigue is built up over 18 holes.

Another golfer, Eric Johnson, a colleague of Martin's on the Nike Tour, testified that he did not find walking difficult. "I never give it a thought," he said.

Yet walking, even into the courtroom, is taxing for Martin, 25, who suffers from Klippel-Trenaunay-Weber Syndrome, a genetic circula-

tory disorder. He limps and must keep his right leg elevated to prevent blood from seeping throughout most of the lower half of his atrophied leg. Otherwise, his right knee swells rapidly.

Kluge said the disorder makes him an "inefficient walker" who expends more energy to walk than an average person. His testimony was grasped by Martin's side as evidence that providing him with a golf cart would not give him a competitive advantage.

William Maledon, the PGA Tour's lead lawyer, continued to try to lay the foundation for his case: that walking is an inviolable rule, no different from others, like the one-ball rule, which requires golfers to use the same brand and model of ball during each round.

He has brought up instances where golfers like Ben Hogan and Ken Venturi fought serious injury and heat exhaustion, respectively, without asking for carts.

William Wiswall, Martin's lawyer, has countered by showing exceptions to the rules, such as allowing golfers to be transported lengthy distances by cart from the 9th green to the 10th tee to step up the pace between foursomes and permitting PGA Senior Tour golfers to ride carts.

Olajuwon's Return Helps Launch the Rockets

The Associated Press

Hakeem Olajuwon returned to the Houston Rockets lineup after knee surgery had kept him out of action for 33 games.

He looked rusty but produced flashes of his fancy footwork as the Rockets beat the Vancouver Grizzlies, 110-97, Tuesday night.

"It's great to have him back," said Charles Barkley, who had 25 points and 15 rebounds and seemed rejuvenated by Olajuwon's return.

Olajuwon had 10 points on 5-of-7 shooting and six rebounds in 19 minutes. He entered the game with 5:05 to play in the first quarter and received a 60-second standing ovation from the home crowd, getting his first rebound moments later and his first basket with two minutes remaining in the quarter.

"I had a very good feeling just to be back on the court," said Olajuwon, who had knee surgery on Nov. 24. "Mentally, you are prepared to start dominating. Realistically, it will take time."

Trail Blazers 98, Nets 97 Portland survived a bizarre finish and a late rally by visiting New Jersey.

The Nets erased a 12-point deficit to tie the game on Kendall Gill's basket with 3:14 left in the game.

With New Jersey trailing by one with 1.8 seconds to go, Sherman Douglas was

called for stepping out of bounds while passing the ball off defender Vincent Askew's backside. Douglas made a lay-up, but it was waved off because he had never established position inbounds.

Portland's Rasheed Wallace committed an offensive foul while going for the ensuing inbounds pass, and the Nets got the ball out of bounds with 1.4 seconds left. The game finally ended when Gill's 24-foot fell short.

Hornets 93, Celtics 89 Hours after signing a 10-day contract with the Hor-

NEA Roundup

nets, Vernon Maxwell hit the go-ahead basket in Charlotte.

Maxwell, brought in after the Hornets lost three shooting guards to injuries, scored five of Charlotte's last seven points to help them to their fifth victory in six games. He scored 15 points on 5-for-12 shooting in 27 minutes. He added five rebounds and three assists in his debut for his fifth team in his nine-year career.

Pacers 115, Kings 93 Rik Smits had 18 points and eight rebounds as Indiana took over first place in the Central Division with a victory at Sacramento.

The Pacers took a half-game lead on the Chicago Bulls as they won their seventh straight game.

Bucks 82, Knicks 78 Tyrone Hill

grabbed a crucial rebound and sank two free throws with 2.6 seconds left as Milwaukee won its third straight over New York and sixth straight overall.

Spurs 110, Raptors 105 Phoenix won its fourth straight and improved to 5-1 on its road trip as Antonio McDyess had 24 points and 14 rebounds.

Spurs 105, Warriors 96 Tim Duncan scored a career-high 34 points, and David Robinson had 23 as San Antonio used a 20-4 run in the last seven minutes to rally past Golden State on the road.

Golden State was playing its final game before the All-Star break, and after the game coach P.J. Carlesimo left for New York to testify in the arbitration hearing for Latrell Sprewell.

Magic 91, Hawks 90 Bo Outlaw's jumper in the lane with 1.1 seconds left capped a 23-point, 17-rebound performance as the Magic beat Atlanta in Orlando. The Magic held on when Blaylock's desperation shot glanced off the backboard at the buzzer.

Clippers 111, Jazz 102 James Robinson scored a season-high 25 points as the Clippers made a season-high 123-pointers as Los Angeles, playing at Anaheim, ended an eight-game losing streak.

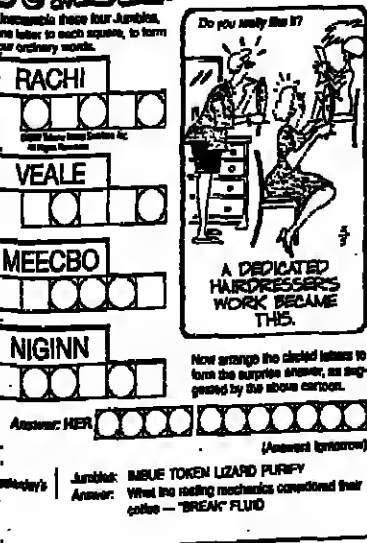
Utah lost for only the fourth time in 17 games despite 23 points from Karl Malone and 22 each by John Stockton and Jeff Hornacek.

DENNIS THE MENACE



WHEN PUTS A LITTLE GOOD GUFF IN WITH SOME THINK I DON'T LIKE AND CALLS IT A CASSEROLE.

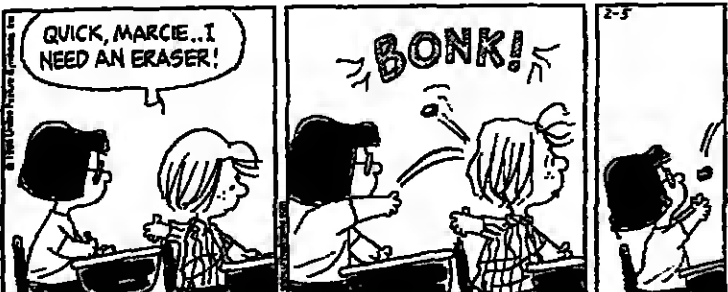
JUMBLE



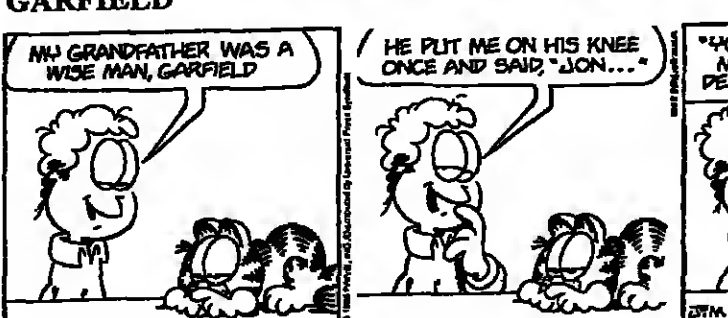
Answers: RACHI, VEALE, MEEBO, NIGINN.

HOTEL Le ROYAL LUXEMBOURG 12, boulevard Royal - L-2449 Luxembourg Tel: (352) 241 61 61 - Fax: (352) 22 59 48 Site Internet: <http://www.hotelroyal.lu> Email: reservations@hotelroyal.lu Grand-Duchy of Luxembourg

PEANUTS



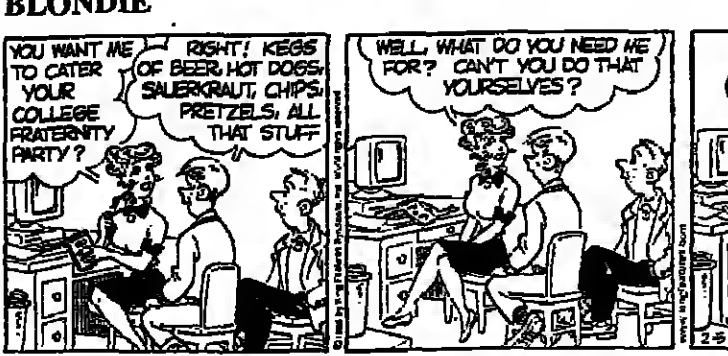
GARFIELD



BEETLE BAILEY



BLONDIE



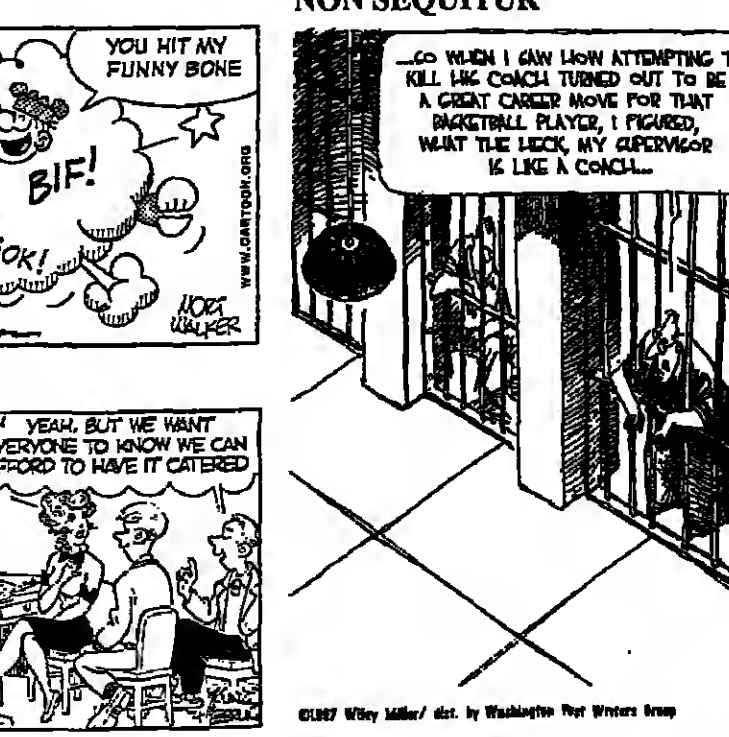
CALVIN AND HOBBES



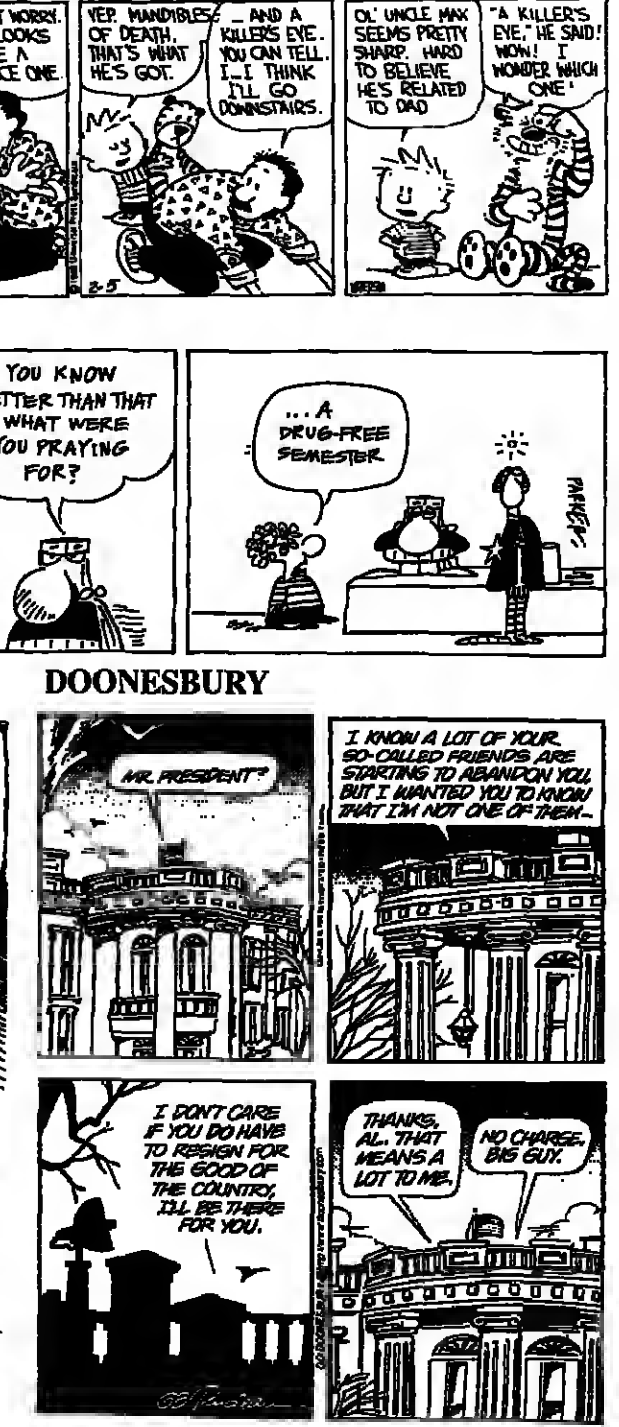
WIZARD of ID



NON SEQUITUR



DOONESBURY



ART BUCHWALD

Press 5 for Love

WASHINGTON — A bizarre aspect of Lewinskygate is that things that no self-respecting news organization permitted to be mentioned before are now being discussed openly on the air and in the newspapers.

One such subject is oral sex, which has been a no-no topic for years and years. The other one is phone sex. This is not the 900-number type of sex where you can get a woman to say terrible things to you and then charge it to your credit card. Phone "love" (as I will refer to it from now on), when practiced by Americans, is a popular method of becoming intimate with a person without turning the encounter into a contact sport.

Lewinsky claimed to have had phone love with President Clinton. It was disturbing news because if it took place, and nobody is saying for sure that it did, when did the president have time to talk to Saddam Hussein?

Warren Frichy, who handles phone love for the Three Bells Telephone Company, said that phone love

was one of the company's most profitable services. He attributes this to the fact that people who participate tend to speak a lot longer than those who want to know what's playing at the movies.

"It's very competitive. AT&T, MCI and Sprint are all after the business without saying so, as no one ever questions the charges for these calls."

"If you're having a sexual conversation with someone, can you put them on hold?"

"Yes, especially if the person's wife is calling on the other line. Also, suppose that somebody is engaged in phone love and he gets a junk call on line two. He certainly wants to hear what the caller is selling."

"Can you make a phone love call and leave it on a person's voice mail?"

"It's probably not the best idea in the world, particularly if a special prosecutor is tapping your line. Leaving a phone love message on an answering machine is almost like dancing with your sister."

Frichy warned me that people have to think twice before making phone love over a cellular phone.

"Anybody can pick up conversation from a cell phone so we advise our customers to resort to lust from a pay phone."

"Is phone love illegal?"

"Only if you tape the call without the other person's knowledge."

To clear the air, dear reader, I personally do not engage in phone love because I have a lot better things to do with my time.

If someone starts breathing heavily on the other end of the line I always say, "Boy, have you got the wrong number."

P.D. James: The Indelicate Subject of Murder

By Mel Gussow
New York Times Service

NEW YORK — On a rainy winter's day, New York was giving a faithful imitation of London at its most inclement. Settling in to a hearty lunch at the Union Square Café, P.D. James sipped a glass of Bordeaux and warmed to the indelicate subject of murder.

"Murder," she said, "strips away all defenses. Everything is open. Even the victim is left with no privacy." The challenge for the writer of mystery novels is "to explore characters under the trauma of violent death," she said. That, along with the structural demands of the genre, is what draws her to writing books like her new best-seller, "A Certain Justice" (Alfred A. Knopf).

At 77, with millions of admirers savoring her 14th novel and then eagerly waiting to relive the experience by watching the inevitable television dramatization, Phyllis Dorothy James — Baroness James of Holland Park, in London — is at the very top of her form and her fame.

A stylish writer, she can conjure a richness of atmosphere and character with a few elegant turns of her pen, while also sparing readers in an all-night vigil to discover the identity of the murderer.

She begins with a particular place rather than a mystery, and the place becomes a microcosm: the Thames-side publishing house in "Original Sin," the London law courts and chambers in "A Certain Justice," places where people are "thrown together in involuntary proximity."

Her choice of setting is not simply background but the focus of the work itself. In each novel, there is an element of sociological observation as she studies what she calls "the interaction of people in their professional life." In the new book, for example, she is fascinated by the contradiction between "the tradition, dignity and pomp of criminal trials and the horrific events with which they deal."

Something similar might be said about James herself, a sensible, erudite woman who loves Jane Austen but can write with evident relish about the most savage of murders. She also reads books by her colleagues Ruth Rendell and Colin Dexter and with an apology remains devoted to the art of the mystery. As Joyce Carol Oates wrote in a recent appreciative review of "A Certain Justice" in *The New York Review of Books*, "P.D. James does not 'transcend' the genre; she refines, deepens and amplifies it."

With her new book, she shatters suspense by announcing on the first page that as Venetia Aldridge cross-examines a witness in a murder case, she had "4 weeks, 4 hours and 50 minutes left of life." One hundred pages later, Venetia is, in James's characteristically English expression, "dispatched."

"She almost invited it," she said about Venetia's death.



P.D. James has just published her 14th crime novel, "A Certain Justice."

"There is a theory that most murder victims do invite it. But no one deserves to be murdered," she added, unless it is the terrorist who is blown up by his own bomb. A few pages after the body is discovered in Venetia's private chambers, Commander Adam Dalgleish enters, and with his customary finesse begins to investigate the crime.

Dalgleish is himself a man of taste, a published poet, who simply gets down to the business at hand, advising his aides not "to judge in advance of facts," which James regards as a very wise rule of life.

It is also her approach to her novels, which she plans in detail as if they were legal briefs. Because of her inquisitiveness and her pursuit of order, the law would have been her alternate choice of profession.

For "A Certain Justice," she filled 14 notebooks with facts, dates and details of behavior. In search of authenticity, she visited lawyers' chambers, spoke to law clerks as well as Old Bailey judges, and went to trials, not all of them stimulating.

"There's a saying that a criminal trial is a contest held in public in fancy dress to decide which side has the best lawyer," she said. For reference, she has a complete set of "Notable British Trials," just as Venetia does in the book.

a rare identification between the author and a character.

Having lived with Dalgleish for more than 35 years, she knows nearly everything about him: "I know the way he thinks, the way he would act in a certain situation. I know a lot about his childhood. I'm very interested in the long shadows that traumatic events can throw over later life. I think we are probably made in our first seven years." That is why in the book she has a flashback to Venetia's childhood.

Asked what she herself was like at 7, she said, "I was probably pretty horrible, a self-willed stubborn little creature. I was living in an imaginative world, telling stories to myself in my mind." And today? She laughed, and said, "Same old thing."

For financial reasons, she was forced to quit school at 16. Many years later, after her husband returned from World War II with a mental illness, she worked in a hospital to support herself and her two daughters.

Finally when she was almost 40, she began writing her first book, "Cover Her Face," a country-house mystery featuring Dalgleish, whom she named after her high school English teacher, Maisie Dalgleish.

Finishing the novel, she wondered what to call herself. She decided to use her maiden name, rather than her married name, Phyllis White. Should it be Phyllis James, Phyllis D. James, or the genderless P.D. James? "I thought that would look good on the dust jacket, if it ever got on a dust jacket."

To her astonishment, the dust jacket was immediately forthcoming, as Faber & Faber quickly accepted the book. When her agent called her with the news, it was, she said, "one of the very, very great moments of my life." She had a small following until her eighth novel, "Innocent Blood" in 1980. After that breakthrough, her popularity increased tremendously.

Among her many honors is the Diamond Dagger Award of the Crime Writers Association. A duplicate of that "long, thin, rapierlike" instrument is used to kill Venetia in "A Certain Justice." She keeps the original on her desk. Once a burglar broke into her house, so for protection, she has a policeman's club by her bedside.

She has said that everyone has an instinct to kill. Now she clarified her statement: Anyone might kill "in self-defense or in defense of the innocent," as with a mother protecting her young. "But I can't see myself plotting or planning the death of another however much I disliked that person." She added, "I might quite rejoice in their death if it happened."

But as a novelist she plots and plans to kill people. "This may be just how I'm coping with a murderous instinct. If I want to murder, well I can just write another book and get it out of my system. A psychiatrist once said that creativity is the successful resolution of internal conflict."

PEOPLE

A CREAM pie in the face greeted Bill Gates on Wednesday as the Microsoft chairman arrived in Brussels for a meeting with business and government leaders. With cream dripping onto the shoulders of his dark business suit and covering the lenses of his glasses, he was taken to side room where he was cleaned off. There were unconfirmed reports that the pie was thrown by Noel Godin, a Belgian prankster who has struck at famous people before, especially in France, where his targets have included the philosopher Bernard-Henri Levy and filmmaker Jean-Luc Godard. The police arrested two people, but a spokesman for the Belgian office of Microsoft said no charges would be brought.

The actor Daniel Baldwin, hospitalized after reportedly going on a rampage at a hotel in New York, has been arrested on drug charges. He was charged with one count each of criminal possession of a controlled substance and criminal possession of drug paraphernalia, a police spokeswoman said. Police sources said Baldwin was taken to a hospital after experiencing a cocaine overdose on Monday morning. His condition has been upgraded from critical to stable. Baldwin is a former cast member of the NBC police detective show "Homicide" and starred in the movie "Mulholland Falls." The Daily News reported that Baldwin had received a basket of flowers from the

actor Carroll O'Connor, best known for his role in the television series "All in the Family." O'Connor's son, Hugh, battled drugs for years before killing himself in 1995 at age 34.

A nanny is suing the actors Demi Moore and Bruce Willis, contending that Moore once locked her in a room for more than four hours. Kim Tannahill said in a lawsuit filed in California state court that the star couple "shamelessly exploited and abused" her when she worked for them from 1994 until she was fired in August. She is seeking unspecified damages for assault, false imprisonment and other wrongdoing. A lawyer for

Moore and Willis called the complaints "utter fiction" and "an attempt by Miss Tannahill to get money through extortion." The couple sued Tannahill in January, accusing her of violating an agreement not to divulge information about their lives.

The American jazz singer Dee Dee Bridgewater won the best solo vocal prize at the Victoires classiques de la musique et du jazz ceremony in Paris. Michel Plasson, of the Toulouse and Dreux orchestras, was named best conductor.

Prime Minister Tony Blair has been urged to raise the case of the "Winnie the Pooh Five" in talks with President Bill Clinton at the White House. They are the stuffed animals that served as models for the Winnie the Pooh, Piglet, Tigger, Kanga and Eeyore in the children's books by A. A. Milne. They have been incarcerated in a glass case at the New York City Public Library for the past 70 years, but a Labour MP, Gwyneth Dunwoody, has asked what plans there are to repatriate them. Milne allowed the American publisher, Dutton, to donate them to the library after a tour of the United States. "Just like the Greeks want their Elgin Marbles back — so we want our Winnie the Pooh back, along with all his splendid friends," Dunwoody said.

French Film Critics' Prize

Agence France-Presse

PARIS — Alain Resnais's "On connaît la chanson" and Takeshi Kitano's "Hana-Bi" were jointly awarded the 1997 French Critics' Prize on Wednesday.

Resnais's music-inspired film already has 12 nominations for the Cesars, the French version of the Academy Awards. "Hana-Bi" is nominated in the best foreign film category for the Cesars.



The American singer Dee Dee Bridgewater won honors in France.



To reach the other side of the world the easy way, use AT&T DIRECT™ SERVICE. Simply dial the access number for the country you're in and you'll be connected to English-speaking operators and get AT&T's quick, clear connections. Plus, you can use your AT&T Calling Card or any of these major credit cards. Now, what could be easier than that?

It's all within your reach. 

Steps to follow for easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from. 2. Dial the phone number you're calling. 3. Dial your card number.

AT&T ACCESS NUMBERS					
Austria	022-903-911	Greece	00-800-1311	Saudi Arabia	1-800-10
Belgium	0-800-100-10	Ireland	1-800-550-000	Spain	900-99-00-11
Czech Republic	00-42-990-181	Israel	177-100-2727	Sweden	020-795-411
Egypt (Cairo)	010-0208	Italy	172-1011	Switzerland	0800-89-0011
France	0-800-99-0011	Netherlands	0800-022-9111	United Kingdom	0800-89-0011
Germany	0130-0010	Russia (Moscow)	755-5042		0800-89-0011

For Access numbers not listed above ask any operator for AT&T Direct[®] Service, or visit our Web site at att.com

For access numbers not listed above ask any operator for AT&T Direct™ Service, or visit our Web site at: <http://www.att.com/traveler>

Credit card calling subject to availability. Payment terms subject to your credit card agreement. Bold-faced countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling from. Collect calling is not available to the U.S. from all countries listed above. Public phones require coin or card payment. Collecting available to most countries. A limited number of phone numbers require local coin payment during the call. "00" first, outside U.S. numbers, apply outside U.S. numbers. In the U.S., apply U.S. numbers. In the U.S., apply U.S. numbers.